

STATES OF JERSEY



DRAFT INCOME TAX (AMENDMENT No. 37) (JERSEY) LAW 201- (P.159/2010): AMENDMENT

**Lodged au Greffe on 23rd November 2010
by the Minister for Treasury and Resources**

STATES GREFFE

1 PAGES 13–14, ARTICLE 2 –

For Article 2 substitute the following Article –

“2 Article 16 amended

After Article 16(4) there shall be inserted the following paragraph –

‘(4A) A person required by a general or particular notice to deliver a statement and who is chargeable, for the period specified in the notice, under Case VIII of Schedule D on deemed dividends of a company or under Article 85F on the profits of a company, shall furnish in support of the statement –

- (a) the person’s computation of –
 - (i) in the case of a person chargeable under Case VIII of Schedule D, the relevant profits of the company, as defined in Article 81B, and the person’s income chargeable under that Case in respect of the company, or
 - (ii) in the case of a person chargeable under Article 85F, the relevant profits of the company, as defined in that Article, and the person’s portion of the relevant profits; and
- (b) a copy of the company’s accounts for each financial period by reference to which the computation is made.’”

2 PAGE 14, ARTICLE 3 –

For Article 3 substitute the following Article –

“3 Article 17A amended

In Article 17A –

- (a) in paragraph (1) for the words ‘described in Article 16’ there shall be substituted the words ‘or return’;
- (b) for paragraph (2) there shall be substituted the following paragraph –

‘(2) In this Article ‘specified time’ means in relation to a requirement to deliver a statement or return in respect of a year of assessment that is imposed by a notice served in the following year –

 - (a) in the case of a statement delivered on behalf of a person by another person whose business or profession includes the preparation of such statements and in the course of that other

- person's business or profession, 6 p.m. on the last Friday in July in the year in which the notice is served;
 - (b) in the case of a statement delivered by a company in respect of its own charge to tax, 6 p.m. on the last Friday in July in the year in which the notice is served;
 - (c) in the case of a return, 6 p.m. on the last Friday in July in the year in which the notice is served;
 - (d) in any other case, 6 p.m. on the last Friday in May in the year in which the notice is served.';
- (c) for paragraph (3) there shall be substituted the following paragraph –
 - '(3) Paragraph (1) shall not apply –
 - (a) to an individual who is not liable to pay any tax for the period to which the statement relates; or
 - (b) where the notice is served less than 30 days before the day on which the specified time applicable in the person's case expires.';
- (d) in paragraph (4) –
 - (i) for the words 'a person' there shall be substituted the words 'an individual',
 - (ii) in sub-paragraph (a) for the words 'the person's' there shall be substituted the words 'the individual's',
 - (iii) in sub-paragraph (b) for the words 'the person' in each place that they appear, there shall be substituted the words 'the individual';
- (e) in paragraph (7)(a) after the words 'a statement' there shall be inserted the words 'or return';
- (f) in paragraph (7)(b) after the words 'the statement' there shall be inserted the words 'or return';
- (g) after paragraph (12) there shall be added the following paragraph –
 - '(12A) In this Article –
 - 'return' means a return required under Article 20B;
 - 'statement' means a statement required under Article 16.'"

MINISTER FOR TREASURY AND RESOURCES

REPORT

Submission of information – Jersey resident shareholder declarations

The original budget proposal seeks to enhance shareholder compliance checks undertaken by officers at the Taxes Office by making the submission of accounts by a company secretary mandatory.

However, in order to allow the shareholder compliance checks to be undertaken efficiently, the Taxes Office also needs to have a tax computation showing the calculation of the shareholder's share of the company's profits.

The first amendment will ensure that this happens.

Late filing fee for company tax returns

This budget proposal looks to introduce a £250 late filing fee for the late submission of company tax returns.

The original amendment to the Income Tax Law set out that a penalty could be imposed if a tax return containing a statement of income is not submitted by a due deadline.

However, it is necessary to make a further amendment so that a penalty can also be imposed if a tax return containing information required from a company in relation to its shareholders is not submitted by a due deadline.

In addition, I am also taking this opportunity to propose an amendment which would make it clear that no penalty will be due to the Comptroller if the notice requiring the statement or return is issued less than 30 days before the date it is due.

The second amendment does these things.

Financial and manpower implications

There are no additional financial or manpower implications for the States arising from the adoption of this draft amendment.