

STATES OF JERSEY



DRAFT REVENUE ADMINISTRATION (JERSEY) LAW 201- (P.122/2018): COMMENTS

**Presented to the States on 20th May 2019
by the Corporate Services Scrutiny Panel**

STATES GREFFE

COMMENTS

1. The Draft Revenue Administration (Jersey) Law 201- ([P.122/2018](#)) debate was started by the States Assembly on 26th February 2019, and the draft Law was then referred back to the Minister for Treasury and Resources, under Standing Order 83, to provide further information.
2. We originally reviewed the draft Law in January/ February 2019 and published our report ([S.R.3/2019](#)) on 22nd February 2019.

Addendum

3. The Minister has published an [addendum](#) providing further information on the draft Law and Revenue Jersey's wider tax policy priorities.
4. Whilst we remain concerned about the piecemeal development of the draft Law (see below), we have some brief comments on the information in the addendum itself.
5. The Minister explains that the first tranche of the Law prioritises work needed as part of the revenue transformation programme, which "paves the way to online filing and assessment". We consider that the Minister needs to identify which specific part of the draft Law is required to enable online filing and assessment.
6. We are grateful to the Minister for confirming that the information production powers included in the draft Law (Article 26) will not be proposed at this stage.

Piecemeal nature of tax reform and the lack of balance in the Revenue Administration Law

7. Our report highlighted concerns from some tax professionals about the piecemeal nature of tax reform and a lack of balance in the draft Law¹. For example –

***FINDING 4** – Stakeholders have raised concerns with the 'piecemeal' progress on tax reform, as well as the lack of protections for taxpayers and past reforms to the tax system have been promised, but not delivered.²*

8. In the debate in February, we called on the Minister to bring tax reform as a single package –

Connétable K. Shenton-Stone of St. Martin:

"Firstly, I ask the Assembly to reject the Minister for Treasury and Resources' proposition with a clear message back to the Minister and then I ask the Minister to accept that the Corporate Services

¹ A list of submissions received is published in the Appendix to our Report, together with a declaration of interest by the Connétable of St. Martin in relation to evidence received from Grant Thornton.

² [S.R.3/2019 Report on the Draft Revenue Administration \(Jersey\) Law](#)

amendments must exist within the proposition the next time it makes its way back to the Assembly. These issues are not new. They are very well known. If the Minister brings all the relevant matters back to the Assembly in the 2020 Budget Statement, either as law or as concrete proposals with a fixed timeframe, then, Minister, you will have a law fit for purpose. That is not only the Revenue Administration (Jersey) Law, it is independent taxation, a taxpayer charter, an assessment inquiry window and all the other technical measures promised to be delivered at some point in the future ...”.

and –

“... I would ask both the Minister and the Assistant Minister to pledge their full support to a full and detailed review of the tax system that encompasses the long list of concerns that are well known to the tax community and give a firm timeline for rewriting the law. If the Minister comes back to the Assembly with simply a long list of priorities and indications with woolly timelines that will not suffice. The 2020 Budget Statement must be coupled with a clear unambiguous statement around delivery.”³

9. Although we are grateful to the Minister for providing additional information in the addendum, the position remains that the Assembly is being asked to consider the law in separate tranches, rather than as a single package.
10. We invited stakeholders to comment on the information provided in the addendum, but at the time this comments paper was published, we had not received any further submissions.
11. In light of the concerns expressed during our original review about the imbalance in the Law, it will be difficult for States Members to assess the first tranche of the draft Law without sight of tranche 2, which we understand will include some of the reforms called for by the tax industry in their submissions to our review.
12. Further, when tranche 2 of the Law is brought before the Assembly later this year, it will be too late at that stage to go back and amend tranche 1 if any concerns remain about the balance.
13. We therefore remain of the view that tranche 1 of the Draft Revenue Administration (Jersey) Law 201- should not be debated at this point, but instead brought as a single package along with tranche 2 later this year.

³ [Hansard, 26th February 2019](#)