

STATES OF JERSEY



Jersey

DRAFT FINANCE (2021 BUDGET) (JERSEY) LAW 202-

Lodged au Greffe on 2nd November 2020
by the Minister for Treasury and Resources

STATES GREFFE



Jersey

DRAFT FINANCE (2021 BUDGET) (JERSEY) LAW 202-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources, the provisions of the Draft Finance (2021 Budget) (Jersey) Law 202- are compatible with the Convention Rights.

Signed: **Deputy S.J. Pinel of St. Clement**
Minister for Treasury and Resources

Dated: 30th October 2020

REPORT

The annual Finance Law gives effect to the revenue raising measures contained in the Budget proposals included in Part 4 of the [Government Plan 2021-24 \(P.130/2020\)](#).

The Finance Law also makes a number of additions and technical changes to the various revenue laws which are outlined in [Appendix 5: Administrative tax measures](#) of the Government Plan 2021-24.

To assist States Members in further understanding the nature of the 34 Articles in the draft Finance (2021 Budget) (Jersey) Law 202-, brief (“plain English”) explanations of each are given below.

Changes to the [Income Tax \(Jersey\) Law 1961](#) (“1961 Law”)

Article 1 – Sets the standard rate of income tax for 2021 at 20%.

Article 2 – Standard interpretation article that Part 1 relates to the Income Tax (Jersey) Law 1961.

Article 3 – Extends the £50 monthly penalty for late delivery of a return to foundations. Furthermore, where the tax liability of a person, other than a corporate body, is less than £50 then the late filing penalty for each month is abated to the amount of the tax liability.

Article 4 – Inserts 2 new Articles in order to put onto a statutory footing the existing practices. Article 70C will allow a person with income from a foreign trade to deduct as an expense the foreign tax they pay in respect of that trade provided no relief for double taxation or unilateral relief has been given. Article 70D will allow an employer to deduct as an expense of the trade the contributions they pay into a group life insurance scheme.

Article 5 – Clarifies that a dividend received out of the capital profits of a foreign company is not chargeable to tax.

Article 6 – Provides for the increases to the personal income tax exemption thresholds proposed in the Government Plan.

Article 7 – Increases the income disregard applying to childcare. The disregard is set to correspond with the second earner’s allowance as proposed in the Government Plan.

Article 8 – Places on a statutory footing the existing practice whereby the standard annual allowance for the cost of providing plant or machinery acquired by a trader for the purpose of the trade is proportionally increased where the basis period on which an assessment is calculated is greater than 12 months.

Article 9 – Places on a statutory footing the existing practice where the plant or machinery from a trade is transferred from a predecessor to the successor. The successor may include in the calculation of their annual allowance the net qualifying expenditure of the predecessor after deducting the annual allowance of the predecessor.

Article 10 – Places on a statutory footing the existing practice of allowing a trader to claim loss relief in respect of the annual capital allowance for the purchase of plant or machinery of the trade.

Article 11 – Adds Clos de Paradis Housing Trust to the list of social housing providers who are exempt from income tax.

Articles 12 and 13 – Enables the Comptroller to provide information collected for the purpose of income tax, for the year of assessment 2021 and subsequent years, in respect of one spouse/civil partner to the other spouse/civil partner.

Article 14 – Aligns the deadline for making an election in respect of exemptions from tax for lump sums paid out of overseas pension schemes to the deadline for the personal electronic tax return.

Article 15– Changes the procedure for raising an assessment on the withdrawal of approval of a pension scheme following a breach of the rules. Where a breach of the rules has occurred, the Comptroller may raise an assessment and abate the rate of tax to be applied. The amount of the abatement will now be determined at the time the assessment is raised. The person may then appeal the assessment and/or the abatement in the normal way.

Article 16 – Allows the States to bring forward a scheme for the taxation of companies within the cannabis industry by Regulations.

Article 17 – Allows the service of a notice by delivery through any means of electronic communication which would include through an online account.

Changes to the [Customs and Excise \(Jersey\) Law 1999](#)

Article 18 – Standard interpretation Article that Part 2 relates to the Customs and Excise (Jersey) Law 1999.

Article 19 – Increases the excise duty for tobacco as outlined in the Government Plan.

Article 20– Increases the excise duty for petrol, diesel and other hydrocarbon oils as outlined in the Government Plan.

Changes to the [Stamp Duty and Fees \(Jersey\) Law 1998](#)

Article 21 - Standard interpretation article that Part 3 relates to the Stamp Duty and Fees (Jersey) Law 1998.

Article 22 and 23 – Reduces the amount of stamp duty that a first-time buyer is required to pay on the purchase of a property through an assisted ownership scheme approved by the Minister for Children and Housing.

Changes to the [Taxation \(Land Transactions\) \(Jersey\) Law 2009](#)

Article 24 – Standard interpretation article that Part 4 relates to Taxation (Land Transactions) (Jersey) Law 2009.

Article 25 and 26 – Reduces the amount of land transaction tax that a first-time buyer is required to pay on the purchase of a property through an assisted ownership scheme approved by the Minister for Children and Housing.

Changes to the [Revenue Administration \(Jersey\) Law 2019](#) (“the RAL”).

Article 27 - Standard interpretation article that Part 5 and Part 5A relates to the Revenue Administration (Jersey) Law 2019 (“the RAL”).

Article 28 – Places the responsibility for collecting social security contributions on the Comptroller of Revenue.

Collecting social security contributions alongside the tax system was first considered in 2015 and was referred to by Senator Alan Maclean (then Minister for Treasury and Resources) within the 2016 Budget Statement. It was subsequently included as part of the Government Tax Operating Model from 2018.

The Social Security Contributions Team are now working alongside their colleagues in Revenue Jersey. Changes mean that in due course tax and social security contributions will be able to be collected from just one return completed by the employer – in line with the government’s “Tell us Once” approach.

Article 29 to 31 – Amends the set off provisions so that an overpayment that arises under either of the 1961 Law or the [GST Law](#) by a person can be applied to any outstanding amount due by that person in respect of those laws.

Change to the [Goods and Services Tax \(International Services Entities\) \(Jersey\) Regulations 2008](#)

Article 32 – Increases the fees payable by an entity wishing to register as an International Service Entity as outlined in the Government Plan.

Consequential amendments

Article 33 – Introduces the schedule setting out the consequential amendments required to the [Social Security \(Collection of Class 1 and Class 2 Contributions\) \(Jersey\) Order 2013](#) as a result of the Comptroller of Revenue taking responsibility for collection of social security contributions (see Article 28 note above).

Citation and commencement

Article 34 – Sets out the date on which the changes come into force.

Financial and manpower implications

The financial and manpower implications associated with this draft Law are identified within draft Budget proposals within the [Government Plan 2021-2024](#).

Human Rights

The draft Law has been reviewed by the Law Officers’ Department to ensure compliance with the European Convention on Human Rights, and it was determined that, due to the nature of the amendments made, the draft Law does not give rise to any human rights issues. There is therefore no separate Human Rights Note appended to this report.

EXPLANATORY NOTE

This draft Law, if passed, would set the standard rate of tax for 2021 and amend a series of finance-related legislation in order to implement parts of the Government Plan for 2021.

Part 1 sets the standard rate of income tax for 2021 at 20p in the pound (*Article 1*) and makes a number of amendments to the Income Tax (Jersey) Law 1961 (“the 1961 Law”) (*Article 2*).

Article 3 amends Article 17A of the 1961 Law, which provides for penalties to be charged for late delivery of returns. The amendments clarify the intended meaning of Article 17A(2)(a), (3) and (4). The amendments also include returns filed by foundations in the list of returns in Article 17A(2B)(b), bringing the penalty provisions that apply to foundations in line with those that apply to other similar bodies.

Article 4 inserts new Articles 70C and 70D into the 1961 Law, both of which provide exceptions from the general rules in Article 70 about what deductions are not allowable in computing the profits or gains to be charged under Schedule D. Article 70C allows a deduction to be made in the case of a trade in respect of foreign tax payable in respect of a trade except where credit has been claimed in respect of that foreign tax under Article 112 or Part 14A. Article 70D allows the deduction of contributions in respect of a trade or profession of the expenses of a group life insurance scheme that is wholly and exclusively for the benefit of the tax payer’s employees. It is limited to where the death benefits do not exceed 5 times the emoluments received by an employee in the year immediately prior to death and where the employer is a company, to where no employee who is a beneficiary of the scheme owns more than 20% of the company’s shares.

Article 5 inserts a new paragraph into Article 80 of the 1961 Law exempting distributions of the capital profits of a non-resident company from being chargeable to tax under Case V of Schedule D.

Article 6 increases the thresholds for exemption for income tax in Article 92A of the 1961 Law.

Article 7 amends Article 92B of the 1961 Law to increase the threshold for qualifying income that applies to certain individuals for the purposes of calculating their exemption threshold for child day care.

Article 8 amends Article 106A of the 1961 Law, which provides for capital allowances and balancing adjustments. The amendments codify concession B4 by providing that a capital allowance can be proportionately increased if the financial period forming the basis of the year of assessment is more than 12 months. The amendments also reflect the insertion of new Article 106AB.

Article 9 inserts new Article 106AB into the 1961 Law. New Article 106AB codifies concession B3. Article 106AB applies where all machinery or plant is transferred by a trader to successor. If each party agrees, the trader does not need to make a balancing adjustment (which would normally be required on the cessation of trade) and the successor does not take into account the cost of acquiring the plant and machinery in calculating their qualifying expenditure.

Article 10 inserts new Article 110B into the 1961 Law. New Article 110B codifies concession B8 by allowing a person’s capital allowance to be treated as a loss sustained by the person.

Article 11 amends Article 115 of the 1961 Law by adding the Clos de Paradis Housing Trust to the list of entities that are exempt from tax.

Article 12 inserts new Article 122AA into the 1961 Law, which allows people who are a spouse B for the purposes of the 1961 Law to access the tax information of their spouse for any period from the 2021 year of assessment onwards during which the spouses are married, living together and not assessed separately. *Article 13* inserts new Article 122F into the 1961 Law, which makes the equivalent amendments in respect of civil partners.

Article 14 amends Article 131OA of the 1961 Law to change the election deadline under Article 131OA(5)(b) to the end of 31st July.

Article 15 amends Article 131P of the 1961 Law to clarify that the time at which the Comptroller must consider whether to abate an assessment raised under that Article is at the time that the Comptroller raises the assessment.

Article 16 inserts new Article 143AA into the 1961 Law. New Article 143AA allows the States to make Regulations that provide for the taxation of companies involved in the cannabis industry.

Article 17 substitutes Article 145 of the 1961 Law. The new Article 145 allows a notice that is required to be served on a person to be included within any other notice.

Part 2 amends the Customs and Excise (Jersey) Law 1999 (*Article 18*) by amending the rate of excise duty chargeable on tobacco (*Article 19*) and hydrocarbon oil (*Article 20*).

Part 3 amends the Stamp Duties and Fees (Jersey) Law 1998 (*Article 21*). The amendments insert a new Article 6B into that Law to reduce the amount of stamp duty payable where a first-time buyer (defined in the definition inserted into Article 1 by (*Article 22*)) acquires property under an approved assisted ownership scheme. Stamp duty is payable at the first-time buyer rate and only on the proportion of the purchase price paid by that buyer (*Article 23*).

Part 4 makes parallel amendments to those under Part 3 in the case of share transfer properties, by amending the Taxation (Land Transactions) (Jersey) Law 2009 (*Article 24*). *Article 25* inserts a definition of “first time buyer” in Article 1 of that Law. *Article 26* provides that LTT is payable at the first-time buyer rate where such a buyer acquires a property by way of share transfer under an approved assisted ownership scheme, and only on the proportion of the gross value of the transaction funded by the buyer.

Part 5 amends the Revenue Administration (Jersey) Law 2019 (the “Revenue Administration Law”) (*Article 27*).

Article 28 amends Article 2 of the Revenue Administration Law by expanding the duties of the Comptroller of Revenue to include the collection of all social security contributions, rather than just long term care contributions.

Articles 29 to 31 replace Article 20 of the Revenue Amendment Law with new Part 5A. New Part 5A contains new Article 21A, which allows the Comptroller to apply refunds or credits a person is entitled to under the 1961 Law or the Goods and Services Tax (Jersey) Law 2007 to the person’s outstanding liabilities under those Laws.

Part 6 amends the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008 to increase the fees payable for an application for entering the name of an international services entity on a list kept by the Comptroller of Revenue (*Article 32*).

Part 7 provides for consequential amendments (*Article 33*) and for citation and commencement (*Article 34*).

Article 33 introduces the Schedule, which contains amendments to the Social Security (Collection of Class 1 and Class 2 Contributions) (Jersey) Order 2013 that are required due to the amendment made by *Article 28*.

Article 34 provides that the Law may be cited as the Finance (2021 Budget) (Jersey) Law 202- and comes into force on 1st January 2021.



Jersey

DRAFT FINANCE (2021 BUDGET) (JERSEY) LAW 202-

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Jersey

DRAFT FINANCE (2021 BUDGET) (JERSEY) LAW 202-

A LAW to set the standard rate of income tax for 2021 and to implement parts of the government plan for the 2021 financial year by amending the Income Tax (Jersey) Law 1961, the Customs and Excise (Jersey) Law 1999, the Stamp Duties and Fees (Jersey) Law 1998, the Taxation (Land Transactions) (Jersey) Law 2009, the Revenue Administration (Jersey) Law 2019 and the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008.

<i>Adopted by the States</i>	<i>[date to be inserted]</i>
<i>Sanctioned by Order of Her Majesty in Council</i>	<i>[date to be inserted]</i>
<i>Registered by the Royal Court</i>	<i>[date to be inserted]</i>
<i>Coming into force</i>	<i>[date to be inserted]</i>

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

PART 1

STANDARD RATE OF INCOME TAX SET FOR 2021 AND INCOME TAX (JERSEY) LAW 1961 AMENDED

1 Standard rate of income tax for 2021

Income tax is levied and charged for the year 2021 at the standard rate of 20 pence in the pound, in accordance with and subject to the Income Tax (Jersey) Law 1961¹.

2 Amendment of Income Tax (Jersey) Law 1961

This Part amends the Income Tax (Jersey) Law 1961².

3 Article 17A (penalty for late delivery of return) amended

(1) In Article 17A(2)(a), “that is served by a notice in the following year” is deleted.

- (2) In Article 17A(2B)(b), for “20B or 20C” there is substituted “20B, 20C or 20D”.
- (3) For Article 17A(3) there is substituted –
- “(3) A person who is required to deliver a return under Article 16 is not liable to a penalty under this Article if –
- (a) the person is not a body corporate; and
 - (b) the Comptroller is satisfied that the person is not liable to pay any tax for the period to which the return relates.”.

(4) For Article 17A(4A) there is substituted –

“(4A) Paragraph (4B) applies if –

 - (a) a person, other than a body corporate, is liable to pay one or more penalties under paragraph (2A) in respect of a return under Article 16; and
 - (b) the Comptroller is satisfied that the person is liable to pay tax of less than £50 for the period to which the return relates.

(4B) If this paragraph applies, –

 - (a) each penalty that the person is liable to pay under paragraph (2A) is abated to an amount equal to the tax the person is liable to pay for the period to which the return relates; and
 - (b) the Comptroller must repay to the person any amount paid to discharge the person’s liability under paragraph (2A) that exceeds the amount of the penalty after the abatement.”.

4 Article 70C and 70D inserted

After Article 70B there is inserted –

“70C Deductions on account of foreign tax paid

- (1) Despite Article 70, in computing the profits or gains to be charged in respect of a trade under Schedule D there is allowed to be deducted as expenses in any year an amount equal to the amount of foreign tax payable in respect of that trade except where the person has claimed a credit in respect of that foreign tax under Article 112 or Part 14A.
- (2) In this Article “foreign tax” has the same meaning as in Article 114A.

70D Employer’s contributions into group life insurance scheme

- (1) Despite Article 70, in computing the profits or gains to be charged in respect of a trade or profession under Schedule D there is allowed to be deducted as expenses in any year an amount equal to the sum of contributions payable by the person liable to tax in respect of that trade or profession into a group life insurance scheme that is wholly and exclusively for the benefit of the person’s employees.

- (2) However, paragraph (1) applies only if –
 - (a) the death benefits payable under the scheme do not exceed the total of 5 times the emoluments received by the deceased employee during the year immediately preceding his or her death; and
 - (b) where the employer is a company, no employee who is a beneficiary of the scheme owns more than 20% of the shares of the company.
- (3) In this Article “employee” means a person who is paid wages or salary regardless of whether the person is employed or is an office holder.”.

5 Article 80 (basis of computation under Cases IV and V) amended

After Article 80(3) there is inserted –

- “(3A) Tax in respect of distributions, within the meaning of Article 3AE(1)(a) only, of a company that is non-resident in Jersey is not charged under Case V of Schedule D on so much of any such distribution as is made out of the capital profits of the company.”.

6 Article 92A (threshold for exemption for income tax) amended

- (1) In Article 92A(2)(ii), for “£25,550” there is substituted “£25,700”.
- (2) In Article 92A(2A)(ii), for “£25,550” there is substituted “£25,700”.
- (3) In Article 92A(4)(i), for “£6,250” there is substituted “£6,300”.
- (4) In Article 92A(4A)(i), for “£6,250” there is substituted “£6,300”.
- (5) For Article 92A(6) there is substituted –
 - “(6) The threshold that applies to an individual to whom paragraph (2) or (2A) does not apply for the year of assessment is £16,000 (but may be increased by paragraphs (8) and (9) and Article 92B).”.

7 Article 92B (increase in exemption threshold for child day care) amended

In Article 92B(5), in paragraph (a) of the definition “qualifying income”, for “£6,250” there is substituted “£6,300”.

8 Article 106A (allowances and balancing adjustments) amended

- (1) In Article 106A(2), “, or a proportionately reduced percentage of the excess if the trade has been carried on for part only of the year of assessment” is deleted.
- (2) After Article 106A(2) there is inserted –
 - “(2A) The percentage for the excess under paragraph (2) –
 - (a) is proportionately reduced if the financial period or financial periods forming the basis of the year of assessment is less than 12 months; and

- (b) is proportionately increased if the financial period or financial periods forming the basis of the year of assessment is more than 12 months.”.
- (3) After Article 106A(4), there is inserted –
“(4A) However, if Article 106AB applies, the qualifying expenditure of a person who succeeds to a trade is determined under Article 106AB(2)(c).”.
- (4) In Article 106A(5)(e), after “as permanently discontinued,” there is inserted “and Article 106AB does not apply”.

9 Article 106AB (special provisions if assets transferred to successor to trade) inserted

After Article 106A there is inserted –

“106AB Special provisions if assets transferred to successor to trade

- (1) This Article applies if –
 - (a) a person (the “successor”) succeeds to a trade in the circumstances described in the proviso to Article 75(1) or in Article 75(2);
 - (b) all of the plant and machinery in the trade is transferred to the successor; and
 - (c) all parties to the succession notify the Comptroller in writing that they wish for this Article to apply.
- (2) If this Article applies, –
 - (a) the person who discontinues the trade (the “predecessor”) is not required to bring into account a disposal value under Article 106A(5);
 - (b) the predecessor’s annual allowance for the year in which the succession occurs is calculated under Article 106A(2) (as adjusted, if necessary, by Article 106A(2A)); and
 - (c) the successor’s qualifying expenditure for the year in which the succession occurs is the sum of –
 - (i) the predecessor’s qualifying expenditure for the plant and machinery calculated under Article 106A(4), less the predecessor’s allowance for the year; and
 - (ii) the successor’s qualifying expenditure calculated under Article 106A(4), less any amount spent on acquiring the plant and machinery acquired as part of the succession.”.

10 Article 110B (capital allowance may be allowed as loss) inserted

After Article 110A there is inserted –

“110B Capital allowance may be allowed as loss

- (1) For the purposes of Articles 107 and 107A, a person may elect to treat a capital allowance to which the person is entitled under Article 106A(2) as a loss sustained in the person’s trade, profession or vocation.
- (2) Article 106C(8) does not apply to an amount treated as a loss under this Article.”.

11 Article 115 (miscellaneous exemptions) amended

After Article 115(ae)(iv) there is inserted –

“(v) Clos de Paradis Housing Trust”.

12 Article 122AA (access of spouse B to tax information) inserted

After Article 122 there is inserted –

“122AA Access of spouse B to tax information

- (1) This Article applies to a person who is a spouse B if –
 - (a) the person is living with their spouse A; and
 - (b) neither spouse has elected for separate assessment.
- (2) The Comptroller must, on request, provide to the person information collected under this Law that relates to the person’s spouse A for a period –
 - (a) that is not before the 2021 year of assessment; and
 - (b) during which the spouses were married and living together.”.

13 Article 122F (access of civil partner B to tax information) inserted

After Article 122E there is inserted –

“122F Access of civil partner B to tax information

- (1) This Article applies to a person who is a civil partner B if –
 - (a) the person is living with their civil partner A; and
 - (b) neither civil partner has elected for separate assessment.
- (2) The Comptroller must, on request, provide to the person information collected under this Law that relates to the person’s civil partner A for a period –
 - (a) that is not before the 2021 year of assessment; and
 - (b) during which the civil partners were in a civil partnership and living together.”.

14 Article 131OA (exemption from tax for lump sums paid from overseas schemes) amended

In Article 103OA(5)(b), for “the last Friday in July” there is substituted “the end of 31st July”.

15 Article 131P (withdrawal of approval) amended

In Article 131P(8), –

- (a) after “The Comptroller may” there is inserted “, at the time that the Comptroller raises an assessment under paragraph (6),”;
- (b) for the existing instance of “paragraph (6)” there is substituted “that paragraph”.

16 New Article 143AA (power to make Regulations relating to companies in the cannabis industry) inserted

After Article 143 there is inserted –

“143AA Power to make Regulations relating to companies in the cannabis industry

- (1) The States may, by Regulations, amend this Law to provide for the taxation of the profits of companies whose business involves or relates to cannabis or its derivatives.
- (2) Regulations made under this Article may apply –
 - (a) to all companies whose business involves or relates to cannabis or its derivatives; or
 - (b) to only some of those companies, based on –
 - (i) the types of activities that the companies undertake,
 - (ii) the proportion of the companies’ activities or profits that relate, or do not relate, to cannabis or its derivatives, or
 - (iii) any other matter that the States considers relevant.”.

17 Article 145 (delivery and service of notices and forms) substituted

For Article 145 there is substituted –

“145 Delivery and service of notices and forms

- (1) A notice, form or similar document that is required to be served on or given to a person under this Law may be –
 - (a) delivered to the person personally;
 - (b) sent to the person by post at the person’s usual or last known place of abode or place of business;

- (c) if the person is a company, sent to the company's registered office or place of business; or
 - (d) sent by any means of electronic communication.
- (2) A notice that is required to be served on or given to a person under this Law may be included within any other notice.
 - (3) A person may request in writing that a notice, form or other document be served (by any of the methods in paragraph (1)), to the person's appointed agent.
 - (4) The Comptroller must not unreasonably refuse a request.
 - (5) In this Article, "electronic communication" –
 - (a) has the meaning given in Article 1(1) of the Electronic Communications (Jersey) Law 2000³; and
 - (b) includes making a notice, form or document available for electronic retrieval.”.

PART 2

CUSTOMS AND EXCISE (JERSEY) LAW 1999 AMENDED

18 Amendment of Customs and Excise (Jersey) Law 1999

This Part amends the Customs and Excise (Jersey) Law 1999⁴.

19 Excise duty: tobacco

For the table in paragraph 6 of Part 2 of Schedule 1 there is substituted –

“Type of tobacco	Rate of excise duty per kilogramme
(a) unprocessed tobacco	£420.81
(b) cigars	£453.36
(c) cigarettes	£551.22
(d) hand-rolling tobacco	£525.27
(e) processed tobacco other than types (b) to (d)	£438.51”.

20 Excise duty: hydrocarbon oil

For paragraph 7(1) of Part 2 of Schedule 1 there is substituted –

- “(1) There shall be charged, on hydrocarbon oil imported or delivered into or produced in Jersey, excise duty at the following rates –

Type of hydrocarbon oil	Rate of excise duty per hectolitre
(a) higher octane ultra low sulphur petrol	£60.71

Type of hydrocarbon oil	Rate of excise duty per hectolitre
(b) all other ultra low sulphur petrol	£58.83
(c) ultra low sulphur diesel	£58.83
(d) all other types of hydrocarbon oil	£62.77”.

PART 3

STAMP DUTIES AND FEES (JERSEY) LAW 1998 AMENDED

21 Amendment of Stamp Duties and Fees (Jersey) Law 1998

This Part amends the Stamp Duties and Fees (Jersey) Law 1998⁵.

22 Article 1 (Interpretation) amended

In Article 1 after the definition “designated officer” there is inserted –

“ “first-time buyer” means a purchaser of immovable property where the transaction relating to that property fulfils all the conditions that are required to be fulfilled for the fees set out in item 13(b) in a table in paragraph 3 of Schedule 1 to apply;”.

23 Article 6B inserted

After Article 6A there is inserted –

“6B Reduction of stamp duty where immovable property purchased under approved Assisted Ownership Scheme

- (1) Where a first-time buyer purchases immovable property under an Assisted Ownership Scheme and the conditions set out in paragraph (2) are met, the amount of stamp duty payable is that set out in item 13(b) in a table in paragraph 3 of Schedule 1, calculated as if the affordable price were the gross value of the property.
- (2) The conditions are that the Assisted Ownership Scheme has been approved by the Minister for Children and Housing and –
 - (a) the property has been allocated to the purchaser through the Affordable Housing Gateway administered by the Minister for Children and Housing; or
 - (b) the Scheme has been approved by the Minister for Treasury and Resources.
- (3) The affordable price is the proportion of the gross value of the property that is funded by the purchaser, whether or not secured by one or more simple *conventionnel* hypothecs, or other security.”.

PART 4**TAXATION (LAND TRANSACTIONS) (JERSEY) LAW 2009 AMENDED****24 Amendment of Taxation (Land Transactions) (Jersey) Law 2009**

This Part amends the Taxation (Land Transactions) (Jersey) Law 2009⁶.

25 Article 1 (interpretation) amended

In Article 1 after the definition “equity capital” there is inserted –

““first-time buyer” means a person on whom a right of occupation of land is conferred and who satisfies all the conditions to be satisfied by an occupier under paragraph 4 of the Schedule for the rate of LTT set out in sub-paragraph (3) of that paragraph to apply;”.

26 Article 8A inserted

After Article 8 there is inserted –

“8A Reduction of LTT where land transaction confers right of occupation under approved Assisted Ownership Scheme

- (1) Where a transaction under Article 3(1)(a) confers a right of occupation of land on a first time buyer under an Assisted Ownership Scheme and the conditions set out in paragraph (2) are met, the rate of LTT chargeable to an occupier is that under paragraph 4(3) of the Schedule, calculated as if the affordable price were the gross value of the land.
- (2) The conditions are that the Assisted Ownership Scheme has been approved by the Minister for Children and Housing and –
 - (a) the land has been allocated to the occupier through the Affordable Housing Gateway administered by the Minister for Children and Housing; or
 - (b) the Scheme has been approved by the Minister for Treasury and Resources.
- (3) The affordable price is the proportion of the gross value of the transaction that is funded by the occupier, whether or not the funding involves a security agreement.”.

PART 5**REVENUE ADMINISTRATION (JERSEY) LAW 2019 AMENDED****27 Amendment of Revenue Administration (Jersey) Law 2019**

This Part amends the Revenue Administration (Jersey) Law 2019⁷.

28 Article 2 (Comptroller of Revenue) amended

- (1) For Article 2(1)(b) there is substituted –
- “(b) the collection and administration of social security contributions under, and in accordance with, this Law, the Income Tax Law and the Social Security Law as the agent for the Minister for Social Security; and”.
- (2) In Article 2(3), for “LTC” there is substituted “Social security”.
- (3) After Article 2(7) there is inserted –
- “(8) In this Article, “social security contributions” means contributions specified in Article 4(2) of the Social Security Law.”.

29 Part 5 heading amended

In the heading to Part 5, “and set-off” is deleted.

30 Article 20 (set-off) deleted

Article 20 is deleted.

31 New Part 5A (Comptroller’s powers relating to set-off) inserted

After Article 21 there is inserted –

“PART 5A**COMPTROLLER’S POWERS RELATING TO SET-OFF****21A Set-off**

- (1) This Article applies if –
- (a) a person does not pay an amount that the person is liable to pay under the Income Tax Law or the GST Law by the deadline for payment; and
- (b) the person is entitled to a refund or credit under the Income Tax Law or the GST Law.
- (2) The Comptroller may –
- (a) withhold or suspend payment of all or part of the refund or credit; or
- (b) apply all or part of the refund or credit towards payment of the outstanding amount.
- (3) The Comptroller must not withhold, suspend or apply a refund or credit towards payment of an amount that is not outstanding without the agreement of the person.
- (4) This Article applies in respect of all amounts a person is liable to pay under the Income Tax Law or the GST Law, including amounts of LTC contributions, penalties, interest and other charges.”.

PART 6

GOODS AND SERVICES TAX (INTERNATIONAL SERVICES ENTITIES) (JERSEY) REGULATIONS 2008 AMENDED

32 Amendment of Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008

In Regulation 4(1) (basis of fee) of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008⁸ –

- (a) in sub-paragraph (a)(i)(A) for “£9,350” there is substituted “£13,100”;
- (b) in sub-paragraph (a)(i)(B) for “£200” there is substituted “£300”;
- (c) in sub-paragraph (a)(ii)(A) for “£200” there is substituted “£300”;
- (d) in sub-paragraph (a)(ii)(B) for “£200” there is substituted “£300”;
- (e) in sub-paragraph (a)(iii)(A) for “£9,350” there is substituted “£13,100”;
- (f) in sub-paragraph (a)(iii)(B) for “£200” there is substituted “£300”;
- (g) in sub-paragraph (b) for “£58,000” there is substituted “£78,300”;
- (h) in sub-paragraph (c) for “£3,120” there is substituted “£4,700”;
- (i) in sub-paragraph (ca) for “£3,120” there is substituted “£4,700”;
- (j) in sub-paragraph (d) for “£625” there is substituted “£950”;
- (k) in sub-paragraph (da) for “£3,120” there is substituted “£4,700”;
- (l) in sub-paragraph (e) for “£3,120” there is substituted “£4,700”;
- (m) in sub-paragraph (f) for “£625” there is substituted “£950”;
- (n) in sub-paragraph (fa) for “£3,120” there is substituted “£4,700”;
- (o) in sub-paragraph (g) for “£500” there is substituted “£750”;
- (p) in sub-paragraph (i) for “£200” there is substituted “£300”;
- (q) in sub-paragraph (j) for “£500” there is substituted “£750”.

PART 7

CONSEQUENTIAL AMENDMENTS, CITATION AND COMMENCEMENT

33 Consequential amendments

The Schedule contains consequential amendments to the Social Security (Collection of Class 1 and Class 2 Contributions) (Jersey) Order 2013⁹.

34 Citation and commencement

This Law may be cited as the Finance (2021 Budget) (Jersey) Law 202- and comes into force on 1st January 2021.

SCHEDULE

(Article 33)

CONSEQUENTIAL AMENDMENTS

1 Amendment of Social Security (Collection of Class 1 and Class 2 Contributions) (Jersey) Order 2013

This Schedule amends the Social Security (Collection of Class 1 and Class 2 Contributions) (Jersey) Order 2013¹⁰.

2 Article 1 (interpretation) amended

In Article 1, –

- (a) the following is inserted as the first definition –
“ “Comptroller” means the Comptroller of Revenue described in Article 2 of the Revenue Administration (Jersey) Law 2019¹¹”;
- (b) the definition “Department” is deleted.

3 Article 2 (social security numbers and contribution liability notices) amended

In Article 2(1), (3)(b), (4) and (5), for “Department” there is substituted “Minister”.

4 Article 3 (periods of absence) amended

In Article 3, for “Department” there is substituted “Minister”.

5 Article 4 (contribution schedule) amended

In Article 4(1), (2)(a) and (2)(b), for “Department” there is substituted “Comptroller”.

6 Article 5 (Class 1 contributions) amended

In both places in Article 5(1) and in Article 5(4)(a) and (b), for “Department” there is substituted “Comptroller”.

7 Article 6 (Class 2 contributions) amended

- (1) In Article 6(1), “to the Department” is deleted.
- (2) In Article 6(2) and (4)(b), for “Department” there is substituted “Comptroller”.
- (3) In Article 6(4)(a), for “Minister” there is substituted “Comptroller”.

8 Article 8 (age determination) amended

In Article 8, for “Department” there is substituted “Comptroller”.

9 Article 11 (employer’s duty to notify Minister) amended

In Article 11(1), (2), (3), (4), (5) and (6), for “Minister” there is substituted “Comptroller”.

10 Article 12 (abnormal pay practice) amended

In Article 12(2), for “Department” there is substituted “Comptroller”.

11 Article 14 (application for supplementation) amended

In Article 14(2)(a), (3) and (4), for “Department” there is substituted “Minister”.

ENDNOTES

Table of Endnote References

1	<i>chapter 24.750</i>
2	<i>chapter 24.750</i>
3	<i>chapter 04.280</i>
4	<i>chapter 24.660</i>
5	<i>chapter 24.960</i>
6	<i>chapter 24.980</i>
7	<i>L.13/2019</i>
8	<i>chapter 24.700.25</i>
9	<i>chapter 26.900.12</i>
10	<i>chapter 26.900.12</i>
11	<i>L.13/2019</i>