

STATES OF JERSEY



Jersey

DRAFT FINANCE (2023 BUDGET) (JERSEY) LAW 202- (P.102/2022): THIRD AMENDMENT

**Lodged au Greffe on 21st November 2022
by Deputy R.S. Kovacs of St. Saviour
Earliest date for debate: 13th December 2022**

STATES GREFFE

DRAFT FINANCE (2023 BUDGET) (JERSEY) LAW 202- (P.102/2022): THIRD AMENDMENT

1 PAGE 41, ARTICLE 50 –

(1) In sub-paragraph (a) for the table in the inserted paragraph 2A substitute –

"Item 13	Stamp Duty by Figure or Rate	Chargeable Document	Designated Officer
(i) does not exceed £50,000	£10.50 each £100 or part of £100 subject to a minimum of £10	Contract	Greffier
(ii) exceeds £50,000 but does not exceed £300,000	£5,250 in respect of the first £50,000, plus £11.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iii) exceeds £300,000 but does not exceed £500,000	£34,000 in respect of the first £300,000, plus £12 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iv) exceeds £500,000 but does not exceed £700,000	£58,000 in respect of the first £500,000, plus £13 for each £100 or part of £100 in excess thereof	Contract	Greffier
(v) exceeds £700,000 but does not exceed £1,000,000	£84,000 in respect of the first £700,000, plus £13.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(vi) exceeds £1,000,000 but does not exceed £1,500,000	£124,500 in respect of the first £1,000,000 plus £14.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(vii) exceeds £1,500,000 but does not exceed £2,000,000	£197,000 in respect of the first £1,500,000 plus £15.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(viii) exceeds £2,000,000 but does not exceed £3,000,000	£274,500 in respect of the first £2,000,000 plus £17 for each £100 or part of £100 in excess thereof	Contract	Greffier
(ix) exceeds £3,000,000 but does not exceed £6,000,000	£444,500 in respect of the first £3,000,000 plus £19.50	Contract	Greffier

“Item 13	Stamp Duty by Figure or Rate	Chargeable Document	Designated Officer
	for each £100 or part of £100 in excess thereof		
(x) exceeds £6,000,000	£1,029,500 in respect of the first £6,000,000 plus £20.50 for each £100 or part of £100 in excess thereof	Contract	Greffier”.

(2) In sub-paragraph (b)(ii) for the substituted table substitute –

“(i) does not exceed £100,000	(A) In relation to property that is not relevant property, 50p for each £100 or part of £100 subject to a minimum of £10 (B) In relation to property that is relevant property, £10.50 for each £100 or part of £100 subject to a minimum of £10	Contract	Greffier
(ii) exceeds £100,000	(A) In relation to property that is not relevant property, £500 in respect of the first £100,000, plus 75p for each £100 or part of £100 in excess (B) In relation to property that is relevant property, £10,500 in respect of the first £100,000 plus £10.75 for each £100 or part of £100 in excess of that	Contract	Greffier”.

2 PAGE 44, ARTICLE 53 –

For the table in the inserted paragraph 5 substitute –

“Value of the transaction	Variable element of tax
does not exceed £50,000	£10.50 each £100 or part of £100 subject to a minimum of £10
exceeds £50,000 but does not exceed £300,000	£5,250 in respect of the first £50,000, plus £11.50 for each £100 or part of £100 in excess thereof

“Value of the transaction	Variable element of tax
exceeds £300,000 but does not exceed £500,000	£34,000 in respect of the first £300,000, plus £12 for each £100 or part of £100 in excess thereof
exceeds £500,000 but does not exceed £700,000	£58,000 in respect of the first £500,000, plus £13 for each £100 or part of £100 in excess thereof
exceeds £700,000 but does not exceed £1,000,000	£84,000 in respect of the first £700,000, plus £13.50 for each £100 or part of £100 in excess thereof
exceeds £1,000,000 but does not exceed £1,500,000	£124,500 in respect of the first £1,000,000 plus £14.50 for each £100 or part of £100 in excess thereof
exceeds £1,500,000 but does not exceed £2,000,000	£197,000 in respect of the first £1,500,000 plus £15.50 for each £100 or part of £100 in excess thereof
exceeds £2,000,000 but does not exceed £3,000,000	£274,500 in respect of the first £2,000,000 plus £17 for each £100 or part of £100 in excess thereof
exceeds £3,000,000 but does not exceed £6,000,000	£444,500 in respect of the first £3,000,000 plus £19.50 for each £100 or part of £100 in excess thereof
exceeds £6,000,000	£1,029,500 in respect of the first £6,000,000 plus £20.50 for each £100 or part of £100 in excess thereof”.

3 PAGE 46, ARTICLE 56 –

For the substituted Table B and Table C substitute –

“TABLE B

ENVELOPED PROPERTY USED FOR DOMESTIC PURPOSES

(1) Market value of enveloped property	(2) Variable element of tax (standard rate)	(3) Variable element of tax (higher rate)
Exceeding £500,000 but not exceeding £700,000	£8,000 in respect of the first £500,000 plus £3 for each £100 or part of £100 in excess of that	£58,000 in respect of the first £500,000 plus £13 for each £100 or part of £100 in excess of that

(1) Market value of enveloped property	(2) Variable element of tax (standard rate)	(3) Variable element of tax (higher rate)
Exceeding £700,000 but not exceeding £1,000,000	£14,000 in respect of the first £700,000 plus £3.50 for each £100 or part of £100 in excess of that	£84,000 in respect of the first £700,000 plus £13.50 for each £100 or part of £100 in excess of that
Exceeding £1,000,000 but not exceeding £1,500,000	£24,500 in respect of the first £1,000,000 plus £4.50 for each £100 or part of £100 in excess of that	£124,500 in respect of the first £1,000,000 plus £14.50 for each £100 or part of £100 in excess of that
Exceeding £1,500,000 but not exceeding £2,000,000	£47,000 in respect of the first £1,500,000 plus £5.50 for each £100 or part of £100 in excess of that	£197,000 in respect of the first £1,500,000 plus £15.50 for each £100 or part of £100 in excess of that
Exceeding £2,000,000 but not exceeding £3,000,000	£74,500 in respect of the first £2,000,000 plus £7 for each £100 or part of £100 in excess of that	£274,500 in respect of the first £2,000,000 plus £17 for each £100 or part of £100 in excess of that
Exceeding £3,000,000 but not exceeding £6,000,000	£144,500 in respect of the first £3,000,000 plus £9.50 for each £100 or part of £100 in excess of that	£444,500 in respect of the first £3,000,000 plus £19.50 for each £100 or part of £100 in excess of that
Exceeding £6,000,000	£429,500 in respect of the first £6,000,000 plus £10.50 for each £100 or part of £100 in excess of that	£1,029,500 in respect of the first £6,000,000 plus £20.50 for each £100 or part of £100 in excess of that

TABLE C**ENVELOPED PROPERTY COMPRISED IN A CONTRACT LEASE**

(1) Market value of enveloped property	(2) Variable element of tax (standard rate)	(3) Variable element of tax (higher rate)
Exceeding £500,000 in the case of property used for domestic purposes	£3,500 in respect of the first £500,000, plus 75p for each £100 or part of £100 in excess of that	£53,500 in respect of the first £500,000, plus £10.75 for each £100 or part of £100 in excess of that

(1) Market value of enveloped property	(2) Variable element of tax (standard rate)	(3) Variable element of tax (higher rate)
Exceeding £700,000 in the case of property used for non-domestic purposes	£5,000 in respect of the first £700,000 plus 75p for each £100 or part of £100 in excess of that	Not applicable”.

DEPUTY R.S. KOVACS OF ST. SAVIOUR

REPORT

This amendment makes the necessary changes to the Draft Finance (2023 Budget) (Jersey) Law 202- ([P.102/2022](#)) following my amendment to the Proposed Government Plan 2023-2026 ([P.97/2022](#)), pursuant to which I seek to raise the higher rate of Stamp Duty to 10%.

Whilst raising additional revenue, this proposed measure to increase the Stamp Duty by 10% on those residential properties not permanently lived in by the owner, also has the key aim of changing purchase habits. This will alleviate the continuing demand for second properties during the housing crisis we are facing, the 3% increase, as currently proposed by the Council of Ministers will not have any tangible effect on buyers who can afford to purchase a second property for leisure and/or investment purposes, especially if they are a cash buyer not reliant on a loan.

This amendment will adjust the Stamp Duty surcharge on the purchase of properties that are acquired for any purpose other than to be used as a person's main residence such as buy-to-let properties, second homes, and holiday homes to 10%. In line with the currently proposed 3% charge, this will also be the case for Land Transaction Tax and the Enveloped Property Transaction Tax.

Financial and manpower implications

Setting the Stamp Duty, Land Transfer Tax (LTT) and Enveloped Property Transaction Tax surcharge of buy to let investments, second homes and holiday homes at 10 percent could increase Stamp surcharge proceeds up to £5 million, based on a straightforward 10% increase, however, part of my objective is to change habits in the purchasing of residential property.

I do not anticipate that there will be additional manpower implications.