

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2023- 2026 (P.97/2022): AMENDMENT

Lodged au Greffe on 15th November 2022
by Deputy M.B. Andrews of St Helier North
Earliest date for debate: 12th December 2022

STATES GREFFE

PAGE 2, PARAGRAPH (a) –

After the words “Article 9(2)(a) of the Law” insert the words –

“, except that the estimate of income in 2023 for Impôts Duty on Tobacco shall be amended to £19,483,000, to reflect an increase in tobacco duty on hand rolling tobacco of 16.8%, on cigars of 18.4% and other tobacco products of 15.4%”

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2023–2026 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2023 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law, except that the estimate of income in 2023 for Impôts Duty on Tobacco shall be amended to £19,483,000, to reflect an increase in tobacco duty on hand rolling tobacco of 16.8%, on cigars of 18.4% and other tobacco products of 15.4%;
- (b) to approve the proposed Changes to Approval for financing/borrowing for 2023, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (c) to approve the transfers from one States fund to another for 2023 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (d) to approve each major project that is to be started or continued in 2023 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (e) to approve the proposed amount to be appropriated from the Consolidated Fund for 2023, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report;
- (f) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its

trading fund in 2023 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;

- (g) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2023 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (h) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2023 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (i) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2023-2026, as set out at Appendix 3 to the Report.

REPORT

In the Government Plan 2023-26 Ministers wish to continue setting above Retail Price Index (RPI) increases of Impôt Duties on tobacco products to change consumer behaviour. Under the proposals Ministers have indicated a 12.9 percent increase on tobacco products equating to the second quarter RPI rate of 7.9 percent plus 5 percent. Ministers have also proposed hand-rolling tobacco will be increased by 14.3 percent to include the second quarter RPI rate of 7.9 percent plus 6.4 percent. In addition, Ministers are proposing a 15.9 percent increase on cigars inclusive of the second quarter RPI rate of 7.9 percent plus 8 percent.

However, the third quarter RPI rate has not been factored in the proposed tobacco product rate increases in the Government Plan 2023-26. I am therefore proposing tobacco products be subject to increases accounting for the third quarter RPI rate as follows:

- 15.4 percent increase in tobacco products to include a 10.4 percent increase in line with RPI plus 5 percent.
- 16.8 percent increase in hand-rolling tobacco to include a 10.4 percent increase in line with RPI rate of 10.4 percent plus 6.43 percent.
- 18.4 percent increase in cigars to include a 10.4 percent increase in line with RPI plus 8 percent.

The negatives of tobacco consumption are well established and this amendment is in keeping with existing Government policy to increase duty on tobacco above RPI with the expectation to change consumer behaviour. As mentioned in the Government Plan 2023-26, the difference in duty charged on cigarettes and hand rolling tobacco will be closed in 2023 and this will continue under my proposition.

Financial and manpower implications

It is anticipated that following my amendment the total tobacco revenue for 2023 would then be £19.483m, £456,000 higher than those originally proposed. I do not anticipate that there will be any additional manpower implications.

