

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE FINANCE AND ECONOMICS
COMMITTEE ON TUESDAY 7th OCTOBER 2003,
BY CONNETABLE A.S. CROWCROFT OF ST. HELIER.**

Question

Would the President inform members which of the possible extra taxes outlined at the top of page 4 of the Policy and Resources Committee's 2004-2008 are likely to be brought forward in the 2004 Budget proposals of the Finance and Economics Committee to cover the forecast deficit of £7m?

Answer

The tax measures referred to in the question, being

- Higher rates of income tax on households;
- Adjustments to personal tax exemptions and allowances;
- The introduction of a new tax on spending; and,
- Higher rates of social contributions,

are all measures which are being considered to address the medium to long term funding issues, which I remind members are arising largely from the EU tax package and demographic pressures.

The Committee will be coming forward early next year with a more specific package of measures.

These changes will be vital to the future competitiveness of our financial services sector and thereby crucial to the future of Jersey's economy, prosperity and standard of living.

I can, however, confirm that none of these measures are intended to be employed to tackle the deficit of 2004.

Changes to current taxes will be announced in this year's Budget document and considered during the budget debate, in the usual and accepted way.