

2.1 Deputy J.A. Martin of St. Helier of the Minister for Treasury and Resources regarding the increase in 2006 of people registered under I.T.I.S.:

Would the Minister inform how many more people were registered with the Income Tax Department in 2006 under the new I.T.I.S. Scheme (Income Tax Instalment Scheme) than in 2005? Also whether the numbers are cross-referenced with the amount of licences issued under the Regulation of Undertakings and Development Law? Thank you.

Deputy J.A.N. Le Fondré of St. Lawrence (Assistant Minister for Treasury and Resources):

I.T.I.S. registration started in early 2005 ahead of the formal start of I.T.I.S. on 1st January 2006. Now, the vast majority of the extra 16,700 personal taxpayers registered by Income Tax in that period from early 2005 to the end of 2006 were individuals who needed to register to obtain an effective rate notice to present to their employer. That included individuals already resident in the Island, but who were not previously required to be registered with Income Tax as they were permanently tax exempt due to their high tax threshold levels. They also included, of course, individuals new to the Island, however short their stay, and whether on a temporary or permanent basis. There is a slightly further analysis provided which is the number of new employee cases registered in 2004, before any registrations for I.T.I.S., totalled just over 3,700, whereas in contrast the new cases under I.T.I.S. in 2005 totalled 7,856; and the number of new cases registered in 2006 totalled 8,880. There is no cross-referencing at all from Income Tax with the number of licences issued under the Regulation of Undertakings Law, as the Comptroller of Income Tax is bound by his Royal Court Oath of Office not to divulge any information that comes into his possession in relation to a taxpayer.

2.2.1 Deputy J.A. Martin:

I thank the Assistant Minister for the very detailed reply. I am very, very surprised that we have a Regulation to limit the number of people coming into the Island under the Regulation of Undertakings Law but it is not cross-referenced with the I.T.I.S. scheme - the actual people working in the Island and paying tax or even not paying tax because of their low income level. Would the Assistant Minister take it upon himself to see the Minister and to look into this because under population this is the only true cross-reference we have of who is doing the jobs and who is paying the tax? Also if these 2 departments are certainly not talking to each other, Sir, can the Minister assure me and the States that they will try to do so in the future? Thank you.

Deputy J.A.N. Le Fondré:

I think there is a difficulty there, Sir, in that obviously it is a problem one does encounter from time to time of the confidentiality of information within Income Tax and the Comptroller does take his Royal Court Oath very seriously. The other point I would make is that there is a difference between taxpayers and population, and without wishing to sound glib about it, obviously the population comprises children and pensioners, for example, as well as working population, and they do not figure on our radar at all.

2.2.2 Deputy J.A. Martin:

I am sorry, Sir, I think the Assistant Minister is missing my point. I totally understand that the working population does not... but the population we are looking to increase or decrease or stabilise, is the working population. I would think it would be easy if... and I will just pick a number out of the air - there are 40,000 licences registered, they will have a name and they will have a company. Now, it cannot be rocket science, Sir, to cross-reference this with the people paying I.T.I.S. Now, will the Assistant Minister take it on board to see if this can be done? Thank you, Sir.

Deputy J.A.N. Le Fondré:

I am certainly happy to raise it with the Minister as to whether it can be done, but I would suggest that there are likely to be problems ahead on that matter.

2.2.3 Senator P.F. Routier:

Could the Assistant Minister clarify whether the responses that the businesses have to make to the Regulation of Undertakings returns do not have the names of individual workers on their returns? It is just broad numbers so that it would be difficult to have any cross-reference with the tax returns for income tax payers?

Deputy J.A.N. Le Fondre:

I have to say obviously that is probably more a matter for Economic Development than the Treasury, but my understanding is that the number of licences granted is a quantum, it is a total. It does not necessarily give the breakdown of individual employees.