

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

**ANSWER TO BE TABLED ON TUESDAY 27th FEBRUARY 2007**

**Question**

Would the Minister inform members what backlogs, if any, currently exist at the Income Tax Department over processing ITIS data for employers, employees (including repayments) and the self-employed? What measures, if any, are in place to ensure that the department remains up to date, and by when will any backlogs be eliminated?

**Answer**

Due to the unprecedented level of repayment claims made by ITIS employees in the last 3 months, in preference to having any overpayment factored into the following year's effective rate, Income Tax have made repayments totalling £2.6 million in the last 3 months, to 3,204 ITIS employees, that figure being split as to 2,854 for year 2005, 344 for year 2006 and 6 for the year 2007.

Currently, there is a backlog of only 179 repayment claims relating to ITIS employees, either because the data received from employers is inaccurate and needs to be corrected by Income Tax in conjunction with the employer, or, alternatively, because no data has as yet been received from the employer for a particular month.

The Income Tax ITIS team are in contact with 302 employers over inaccurate and / or undelivered ITIS returns. However, the vast majority of ITIS employers are completely up to date with their ITIS returns and employers, generally, have made ITIS a success with their excellent compliance to the new ITIS regime. This is also reflected in the statistic that the Income Tax IS Division currently have just 71 ITIS employers with problems and issues to resolve relating to ITIS returns. To put that particular backlog in context, Income Tax handle approximately 4,400 ITIS employers every month, although these employers make a total of approximately 6,000 ITIS returns monthly, as some employers have more than one payroll / business record. As these statistics show, the vast majority of ITIS employer returns are being processed on time and without any problems.

The recent press coverage in the letters page of the Jersey Evening Post does not, therefore, give an accurate reflection of either the volume of work being done by Income Tax Department employees or, indeed, of the relatively minor backlog of repayments outstanding.

There has been an unexpected and significant increase in workload generated by ITIS, illustrated by -

- the number of callers at the Help Desk increasing from 29,107 in 2004 to 91,165 in 2006
- the personal taxpayer base increasing from 52,171 in 2004 to 68,001 as at today's date
- transactions posted in 2006 increasing to 890,000 compared to 390,000 in 2005, and,
- repayment transactions in the last 3 months alone already surpassing all the repayments normally made in a year.

These statistics show an unprecedented level of activity, in particular on the Help Desk. To achieve these levels of repayments, to correct and maintain up to date incomplete and inaccurate employer returns, and to deliver all these services, in addition to handling the normal and everyday business and personal tax operational activities of Income Tax, shows how well the system, and matters generally, are working after only the first year of ITIS operations.

Although the Comptroller of Income Tax is currently recruiting to fill approved posts and thereby deliver an enhanced level of service, it will take at least 2 years to train them to the professional standard expected, so Income Tax will remain under operational pressure for the next year. By way of background information, ITIS is the biggest administrative, legal and operational challenge Income Tax has ever faced and it would be both highly unusual and quite extraordinary for such a major project to have gone absolutely smoothly and without any

difficulties whatsoever. Although there have been problems, notably with the wording on some effective rate notices and on the remittance advice on the Notice of Assessment, Income Tax continue to resolve these problems and to make improvements, to try and make this new system of paying tax as efficient and effective as possible for employers and as convenient as possible for employees. For example, there is a Chamber of Commerce presentation and meeting scheduled later on this month where Income Tax will be available to discuss any issues and answer any questions on ITIS. Staff of the Income Tax Department will continue to work with all interested parties to ensure that ITIS improves even further in the years ahead.