

## **2.11 Connétable A.S. Crowcroft of St. Helier of the Minister for Treasury and Resources regarding the readiness of local businesses for the implementation of G.S.T:**

Would the Minister advise what work has been carried out by his department to ensure that local businesses are ready for the implementation of G.S.T. (Goods and Services Tax)?

### **Senator T.A. Le Sueur (The Minister for Treasury and Resources):**

The Income Tax Department has been engaged in a G.S.T. awareness campaign since January 2007. The main work activity is a rolling programme of advisory and educational visits to businesses and charities, following advertising in the local press. Every opportunity has been given and nobody has been refused. The team recorded 358 such visits in 2007. A further 67 will be completed in January this year. The general feedback on the programme, including an independent Chamber of Commerce survey, has been very positive. This programme will continue and, with the Law in place, can now be more targeted. To coincide with the second phase of G.S.T. registrations, which are commencing on 18th February, all newly registered G.S.T. taxpayers will be invited to a series of educational evenings, around 40 people at a time, at a convenient town venue. Formal presentations on G.S.T. implications and obligations will be followed by open questions. During 2007 a G.S.T. team have also been involved in 26 awareness seminars, mainly involving trade representatives, associations and accountancy firms. These events are ongoing and 4 similar events are booked in February 2008. I am aware that there also needs to be a greater information and awareness presentation to consumers, many of whom are still unsure of the way in which G.S.T. will operate. The focus, to date, has been primarily and rightly on making businesses more aware of the arrival of G.S.T. and the implications for their business. Self-help G.S.T. information has been available since mid-2007, in the form of booklets, leaflets and information sheets. Updated versions and new releases will be issued in early February. These are available electronically on the States' website, as are frequently asked questions for consumers and businesses. Queries are also dealt with at the income tax help desk, G.S.T. help line and the Jersey Tax e-mail address. Despite all this, I cannot be certain that all businesses are at present fully geared up for the implementation of G.S.T. Sadly, as with I.T.I.S. (Income Tax Instalment Scheme), many leave it until the last minute to prepare. We shall be stepping-up our awareness campaign as G.S.T. day approaches. Finally, I reiterate the commitment I made when introducing G.S.T., that in the early months introduction, the Tax Department will be taking a sympathetic view and seeking to assist rather than challenge businesses which have initial difficulties.

### **2.11.1 The Connétable of St. Helier:**

I thank the Minister for his comprehensive and helpful answer. With the implementation date a mere 3 months away, I would be interested to know what degree of readiness the Minister feels that the local business community has? Is it, for example, 50 per cent of local businesses or are more local businesses ready for the new tax?

### **Senator T.A. Le Sueur:**

That is a very difficult question to answer because it would vary from business to business. Businesses which are on the ball will be well aware of any implications with G.S.T. and be fully prepared for it. Other businesses who may be tempted to bury their heads in the sand clearly will be less so. I suspect that the degree of readiness is probably about 50 per cent and we will need to do a lot more over the next few months, to bring it up to a higher level. But that is always the way, Sir. People like to leave things to the last possible minute.