

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

**ANSWER TO BE TABLED ON TUESDAY 13th MAY 2008**

**Question**

1. Does the Minister accept that Jersey households will pay, on average, an additional £1,000 tax in each full year of GST, and if not what figure does he suggest?

**Answer**

As I do not know how the Deputy reached the figure of £1,000, he will need to give me full details of his calculations, supported by evidence, to enable me to give a definitive answer to this question. However, I dispute that this is an accurate figure for Jersey households. It is a fact, for example, that following the increase in tax exemption limits announced by me at the Budget last December, many low to middle income earners will see a cut in their income tax bills, not an increase. Some current taxpayers will fall completely out of the tax net in the future. I acknowledge that some high earners will see an increase in their tax bill but this is a deliberate part of my fiscal policy, as it is right and proper that the higher earners pay more in tax through the 20% means 20% legislation.

**Question**

2. Alternatively, does he accept that the average tax bill for individual residents will rise by 13% following the introduction of GST as follows:

Income tax:	
Salary & wage earners	£171 m
Self employed & investments	£ 35 m
Other Indirect Tax	£ 85 m
Total	£291 m

GST raised = £38 m (£45 m less £7 m finance sector) / £291 = 13% increase?

**Answer**

The tax bill of individual residents will not rise by an average of 13%, firstly because many individuals in Jersey in the low to middle income earnings bracket will see a reduction in their income tax bills because of increased exemption thresholds, and secondly because, in addition to the finance industry, tourists and people on business in the island will make a significant contribution to the yield from GST.

**Question**

3. If not what figure does he have for the average percentage tax rise for individual residents?

**Answer**

I have no such figure that would be of any meaningful use, as individuals and individual households vary so much in their individual circumstances, as evidenced by the wide range of individual and different scenarios

outlined in the 20% means 20% examples issued a couple of years ago.