

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

ANSWER TO BE TABLED ON TUESDAY 17th JUNE 2008

Question

- (1) In the light of the recent takeover of CI Fuel Supplies by a foreign-owned company, will the Minister explain to members how zero rating, as part of his zero/ten tax proposals, for non locally owned, non finance companies will affect taxation revenues following its introduction and in particular can he provide an updated figure on the £30m estimate of lost revenue produced in 2004?

Answer

I have already given these figures to States Members. I have no updated figures in relation to these companies from the ones supplied to States Members at the time I indicated an update of the fiscal deficit to a range of £79-94 million, and which suggested that recent estimates had updated the sources of income and had changed the loss from non-finance, non-local companies to a figure of £12-£14 million.

Question

- (2) What measures, if any, does the Minister have available to act against further tax revenue losses from this mechanism through continued increases in foreign ownership of companies trading, tax –free on the Island? If none, what measures, if any, can he propose to reduce further tax revenue losses?

Answer

I am currently considering a deemed rental charge on non finance non Jersey owned companies (the “Blampied” proposals). and will be issuing a consultation paper on the matter within the next 6 weeks, with a view to bringing these forward in the forthcoming 2009 Budget, as previously indicated.