

## **2. Oral Questions**

### **2.1 Deputy G.C.L. Baudains of St. Clement of the Minister for Treasury and Resources regarding the notification of changes to individuals' Income Tax Instalment System (I.T.I.S.) rates:**

Can the Minister confirm that individuals are always notified in advance by the Comptroller when their income tax instalments system, that is I.T.I.S. (Income Tax Instalment System) rates are altered in accordance with Article 41C 7(A) of the Income Tax (Jersey) Law 1961, and if not, why not?

#### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

I thank the Deputy for the opportunity of clarifying this important issue and I am pleased to say that an individual is always notified when their I.T.I.S. effective income tax rate is altered and a notice is sent to the individual on all occasions. Notices state the date from which the revised rate will come into force. The Comptroller may also advise larger employers of the revised rates of the class of employees so that they can be automatically entered into payroll systems. The notices that individuals are sent of course need to be given to individual employers. The Taxes Office reviews an individual's I.T.I.S. effective rate when calculating or revising their assessment to tax. There may be reasons for revising the rate, for example where the individual notifies the tax officers of a significant change in personal circumstances. The notice of the revised rate can only be issued at the time the revised rate is calculated and obviously not in advance of that calculation.

#### **2.1.1 Deputy G.C.L. Baudains:**

I thank the Minister for his reply but it does seem to be at variance with many peoples' experience. I can assure the Minister that I fully support I.T.I.S., but is he aware that many peoples' percentage appears to be set arbitrarily by the Tax Department and when they complain if they have overpaid they are usually told by the Tax Department they cannot have a refund, it will be set over until next year. Does the Minister believe that is satisfactory?

[9:45]

#### **Senator P.F.C. Ozouf:**

The Deputy raises another point, the original question is whether or not the rate is ... the individual rate change is notified to the individual and I am advised that at all times the Income Tax Department notifies every individual of an I.T.I.S. rate change. He is shaking his head. I have advice from the department that that is exactly what they do. In relation to the rate itself, there is the situation of course that where the Income Tax Department does not have the particulars of the individual taxpayer, then the default grade of 20 per cent is applied and indeed employers must apply a default grade of 20 per cent in the absence of the individual supplying a notice of a different amount. Of course rates do change with individual circumstances and if the Deputy does have individual cases where taxpayers are unhappy with their tax rate then certainly the very helpful Income Tax help desk is there to help every taxpayer in order to deal with their issues. But if the Deputy wants to address any particular concerns, I am happy to take them up although I never deal with individual tax cases.