

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 4th MARCH 2014**

**Question**

Will the Minister state what meetings have taken place between Treasury and St. Helier parish officials since the Minister stated in the debate on 4th June 2013 on the proposition (P.40/2013) "Parish rates: the States' liability" that he "*would like to work with the Parish constructively on an open-book basis*" on the rates issue?

Will he further state what progress he has made in "*... finding a solution, and presenting that solution to members .... well in advance of the next MTFP*" that he was "*committed to*" in June and, if none, will he state why?

Would he state when he intends to bring a report to the Assembly on this issue and the wider issue of taxation of land and will he undertake, as part of any such report, to consider the issue of Land Value Tax (LVT) which has proved successful elsewhere?

**Answer**

In June 2013 the Minister stated that he would like to work constructively with the Parishes on an open-book basis concerning the States' liability for Parish rates. The Minister is now pleased to advise members that a very productive dialogue is taking place with the Chairman of the Jersey Association of Rates Assessors.

Firstly, as far as quantification of the potential liability is concerned, a considerable amount of progress has been achieved to produce an assessment of the likely costs of rates to the States based on the 2013 position.

This essential background work has been undertaken at no cost to the Public and provides an independent assessment that will inform the next steps to delivering the commitment made to the States Assembly. Once the final estimate of the likely cost of the States paying rates has been established in the next few months, the Minister intends to discuss his proposals with the Comité des Connétables before reporting to the States. An update will be provided in the draft 2015 Budget in July 2014.

Secondly, as part of a broad-based review of property tax looking at how costs could be met, the Minister is considering a number of property tax matters, including the issue of Land Value Tax.

Land Value Tax must be distinguished from Land Development Tax. Land Value Tax can be either an annual or a one-off charge on the owner of a property, based on the value of that property. Land Development Tax, in the format that has been discussed by the Assembly in the past, would be a tax on the uplift in the value of land when rezoned for development. The review is considering both of these types of taxes, with appropriate economic advice.

Thirdly, as far as proposals to pay for the potential liability are concerned, a Green Paper is to be issued alongside the draft 2015 Budget. The responses received will inform a White Paper to be issued in 2015.