

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 28th APRIL 2015**

Question

Given that the figures for income tax paid by the 11 sub-sectors of the non-finance sector, totalling £51.4 million and detailed in the Minister's answer to question 8734 tabled on 14th April 2015, can only be charged as income tax on dividends and other payments paid to Jersey resident beneficial owners, does the Minister have figures on what proportion of each sub-sector is non-locally owned and therefore paying zero tax and, if not, why not?

Answer

The figures for income tax paid by the 11 sub-sectors of the non-finance sector, totalling £51.4m and detailed in the Minister's answer to question 8734 are not just restricted to companies as implied by the Deputy but are in fact a reflection of all businesses run by companies, partnerships and sole traders (in the context of the last two the proprietor is subject to income tax).

Given that the information reflects the position of sole traders and partnerships as well as companies this should help clarify why there is income shown against these headings. If we take, for example, the heading Health and Social, the income shown will almost exclusively be derived from the profits of partnerships and sole traders. If a company is trading in this sector any business profits made will be taxed at 0%. It would only be if the company had some incidental Jersey rental income (taxed at 20%) that it would be included.

With regard to the last question raised by the Deputy it is a matter of fact that the income tax assessed as disclosed in the table under the majority of headings is derived from Jersey resident sole traders and partnerships.

The main exception to this will be within the construction and quarrying sector and in respect of utilities. A significant proportion of the income tax assessed in these sectors will be derived from companies. This is because profits arising from property development in Jersey and in the provision of utilities in the island are taxed on all entities at 20% (and, in the case of companies, irrespective of their beneficial ownership).