1240/5(9383)

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES**

**BY DEPUTY S.Y. MÉZEC OF ST. HELIER**

**ANSWER TO BE TABLED ON TUESDAY 26th APRIL 2016**

**Question**

Further to the Minister’s answer to question 9341, tabled on 12th April 2016, regarding the collection of Corporation Tax, could he provide a breakdown of how much profit was registered for those companies in each tax band?

**Answer**

In researching this question, the Taxes Office has identified adjustments in respect of data provided in answer 9341 which are corrected in the table below. The previously provided data is included in brackets.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| Number of companies registered with the Jersey Financial Services Commission (as at 31 December) | 33,074 | 32,722 | 32,508 | 32,503 | 32,479 |
|  |  |  |  |  |  |
| Number of 0% companies that paid no tax | 30,592(30,601) | 30,357(30,361) | 30,196(30,198) | 30,261(30,265) | 30,230(30,232) |
|  |  |  |  |  |  |
| Number of 0% companies that paid tax on specific sources of income (income from Jersey property, quarrying in Jersey or from the import and/or supply of hydrocarbon oil) | 1,410(1,425) | 1,395(1,406) | 1,321(1,333) | 1,294(1,300) | 1,295(1,299) |
|  |  |  |  |  |  |
| Total 0% Companies | 32,002(32,026) | 31,752(31,767) | 31,517(31,531) | 31,555(31,565) | 31,525(31,531) |
|  |  |  |  |  |  |
| Number of 10% Financial Services Companies | 913(888) | 881(865) | 910(894) | 932(920) | 938(929) |
|  |  |  |  |  |  |
| Number of 20% Utility Companies | 16 (17) | 16 (17) | 17 (19) | 16 (18) | 16 (19) |
|  |  |  |  |  |  |
| Number of International Business Companies (the International Business Company Regime ceased with effect from 1 January 2012) | 143 | 73 | 64 | 0 | 0 |
|  | **£** | **£** | **£** | **£** | **£** |
| Tax paid by 0% companies in respect of income from Jersey property, quarrying in Jersey or from the import and/or supply of hydrocarbon oil  | 17,694,219(21,915,857) | 20,084,167(22,167,072) | 17,937,304(18,749,485) | 17,203,789(19,208,841) | 16,876,696(18,113,554) |
|  |  |  |  |  |  |
| Tax paid by 10% Financial Services Companies  | 43,766,086(41,309,147) | 39,092,589(37,348,704) | 48,137,495(47,340,971) | 67,011,500(65,936,728) | 62,691,300(61,584,809) |
|  |  |  |  |  |  |
| Tax paid by 20% Utility Companies | 3,058,447(No change) | 5,056,365(No change) | 4,356,392(4,501,010) | 3,396,318(3,460,942) | 2,607,880(2,704,616) |
|  |  |  |  |  |  |
| Tax paid by International Business Companies | 15,454,876 | 11,789,259 | 8,747,720 | 0 | 0 |
|  |  |  |  |  |  |
| Total tax paid re profits etc on above companies | 79,973,628(81,738,327) | 76,022,380(76,361,399) | 79,178,911(79,369,187) | 87,611,607(88,606,494) | 82,175,896(82,402,979) |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Summary of Profits** | **2009** | **2010** | **2011** | **2012** | **2013** |
|  |  |  |  |  |  |
| Net taxable income - 0% companies that paid tax on specific sources of income (excludes income taxed at source and sources of income subject to tax at 0%) | 91,285,287 | 102,848,035 | 92,489,382 | 89,760,587 | 88,431,427 |
|  |  |  |  |  |  |
| Net taxable profits – 0% companies that paid no tax | Notavailable | Notavailable | Notavailable | Notavailable | Notavailable |
|  |  |  |  |  |  |
| Net taxable profits – 10% Financial Services Companies | 496,046,058 | 470,375,340 | 564,467,632 | 769,015,169 | 837,668,362 |
|  |  |  |  |  |  |
| Net taxable profits – Utility Companies | 15,292,233 | 25,281,368 | 21,781,961 | 16,981,596 | 14,592,352 |
|  |  |  |  |  |  |
| Net taxable profits – International Business Companies | Notavailable | Notavailable | Notavailable | Notapplicable | Notapplicable |

Further Detail on Profits – Financial Services Companies:-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| Tax adjusted business profits before capital allowances and losses brought forward | 657,162,623 | 478,501,766 | 623,674,784 | 840,930,248 | 842,094,113 |
| Capital Allowances | 22,192,092 | 20,234,003 | 18,605,056 | 20,774,529 | 19,529,206 |
| Losses Brought Forward | 140,092,547 | 8,449,552 | 47,930,835 | 56,008,061 | 18,879,042 |
| Net Business Profits  | 494,877,984 | 449,818,211 | 557,138,893 | 764,147,658 | 804,160,976 |
|  |  |  |  |  |  |
| Income from property | 1,168,074 | 1,629,929 | 1,595,473 | 1,781,346 | 910,479 |
|  |  |  |  |  |  |
| Other income (including dividends that have been taxed at source and carrying credits at 10% and 20%) | 0 | 18,927,200 | 5733266 | 3086165 | 32596907 |
|  |  |  |  |  |  |
| **Summary of Profits (see main table)** | **496,046,058** | **470,375,340** | **564,467,632** | **769,015,169** | **837,668,362** |

Further Detail on Profits – Utility Companies:-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| Tax adjusted business profits before capital allowances and losses brought forward | 40,481,295 | 46,794,590 | 54,959,334 | 49,429,888 | 39,171,733 |
| Capital Allowances | 27,040,691 | 24,095,548 | 29,404,704 | 34,625,640 | 26,045,708 |
| Losses Brought Forward | 0 | 6,961 | 6,019,040 | 0 | 0 |
| Net Business Profits  | 13,440,604 | 22,692,081 | 19,535,590 | 14,804,248 | 13,126,025 |
|  |  |  |  |  |  |
| Income from property | 1,851,629 | 2,589,287 | 2,246,371 | 2,177,348 | 1,466,327 |
|  |  |  |  |  |  |
| **Summary of Profits (see main table)** | **15,292,233** | **25,281,368** | **21,781,961** | **16,981,596** | **14,592,352** |

Notes:

1. Further quality-assurance checks on the data have identified minor changes to the original table provided in the answer to question 9341. These changes are incorporated into this answer and the original data is included in brackets.
2. The difference in total tax paid in this answer to that reflected in the answer to question 9341 is due to the inclusion in the former answer of tax paid by companies not in respect of profits but in respect of, for example, tax retained in respect of interest payable and taxes withheld and paid to the Taxes Office.
3. No information is available regarding profits of 0% companies that pay no tax on income taxable at 10% or 20%. The Taxes Office is gathering some information in this respect during 2016 and expects to be able to publish information during 2018.
4. International Business Company profits could not be made available without significant redeployment of staff to search files.
5. The relationship between taxable profits and tax paid will be variable over the years in line with a number of factors, including, for example, the amount of tax credits available for offsetting by individual entities.
6. Significant resource has been applied in the provision of this answer and in the analysis and cleansing of information extracted from the Taxes Office systems. The existing systems, first introduced in the 1980s, were not designed in such a way to ease the provision of detailed data sets. Work is in progress to introduce new Taxes Office systems which, alongside the other benefits they will provide, will enhance the provision of management information.