

2016.04.26

3.3 Deputy M. Tadier of the Minister for Treasury and Resources regarding revenues from the tax amnesties:

Will the Minister provide a breakdown of the sources of the additional £1.4 million in tax revenues that resulted from the last tax amnesty and indicate how much revenue is expected to be collected from the current tax amnesty, along with its sources?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

I signalled in Budget 2016 my intention to provide a tax disclosure opportunity in 2017. The previous disclosure took place from December 1998 to February 1999. During this period approximately 360 taxpayers approached the Taxes Office paying around £1.4 million in extra tax. The available records from that time are limited however the Comptroller tells me that just over half of the extra tax related to undeclared interest from Jersey bank accounts. I do not intend to set a particular revenue target for the proposed 2017 tax disclosure but I would stress that this will be the last opportunity for disclosure to be made about any previous errors or omissions before I ask this Assembly to support proposals to strengthen a number of aspects of our current tax law.

3.3.1 Deputy M. Tadier:

It will be interesting to see whether the interest revenues are quite so high on this occasion. I suspect not. But could the Minister explain whether he envisages the bulk of the future or the current amnesty to bring in revenues primarily from companies or from personal income tax?

Senator A.J.H. Maclean:

First of all, I should clarify that it is not an amnesty. It is a tax disclosure opportunity. It does not mean that individuals or companies get off paying tax; it is an opportunity to bring their tax affairs into order before we seek to bring some legislation to strengthen the current tax legislation. In terms of who this will be applicable to. The exact terms are being worked up by the Taxes Office at the moment so I will come back to Members with more details in due course. The intention is that it will cover both corporates that are applicable for tax and individuals as well.

3.3.2 Deputy G.P. Southern:

Will the Minister give us a breakdown of where the other 50 per cent of taxes came from, apart from interest undeclared on bank accounts?

Senator A.J.H. Maclean:

As I said in my opening remarks, having talked to the Taxes Office about this matter, records from 1998, 1999 are not as good as they perhaps should be. We have been able to establish that over half has come from interest, as I have mentioned. I will happily go back and see if we can obtain further information to assist both the Deputy and other Members regarding his question.

3.3.3 Deputy G.P. Southern:

Could the Minister for Treasury and Resources focus particularly on the object of what are many rulings from the Comptroller of Income Tax on the transfer of revenue into capital gains and perhaps having to adjudicate on that issue?

Senator A.J.H. Maclean:

I will certainly ask the feasibility of adhering to the question that the Deputy has put and come back to him.

3.3.4 Deputy S.Y. Mézec:

Will this be an opportunity for employees to declare taxable benefits in kind that they receive from their employer that they did not declare before like, for example - and this is just off the top of my head - perhaps a cheap holiday they got because of the air miles they accrued when they were on work business?

[10:00]

Senator A.J.H. Maclean:

I really do not feel a comment is necessary for such a question. But clearly any admissions that individuals can bring to the attention of the Taxes Office to correct their tax affairs and bring them into order.

3.3.5 Deputy M. Tadier:

I think there are still a lot of questions unanswered. It would be nice to know, and perhaps the Minister can address this in the final answer, what the real driver is for this. It seems to me that it is not a bad idea to do this. It is something which we could perhaps do every year, although that might be slightly strange if we did it every year. But it would be good to know where he thinks the revenues will come from and whether he has got something to go on or whether this is just a fishing expedition to see whether it brings in any additional taxes.

Senator A.J.H. Maclean:

This is not about specifically driving additional revenue. I have made this clear both in the comments I have made this morning and previous media comments that I have made on this subject. Why we are doing this is quite simply giving individuals and companies the opportunity to bring their affairs into order. In many cases there are innocent omissions that have occurred. In some cases less innocent. In either event it is an opportunity for individuals to bring their affairs up to order before we seek to strengthen the tax code to ensure that in the future those that are due to pay their fair amount do indeed do so, the right sanctions and penalties are in place, and indeed equally that those that are undertaking their affairs efficiently and quickly and paying their dues perhaps even get rewarded. So we want to get a more modern suite of tools for the benefit of the Taxes Office to ensure that we, in the future, generate the revenue that we should. Simple as that.