

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY S.Y. MÉZEC OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 1ST NOVEMBER 2016**

**Question**

What proportion of earners in Jersey, if any, have an effective income tax rate of 0% by virtue of having tax allowances which exceed their earnings? What proportion of taxpayers qualify for the pensioners' tax allowance and, of those who qualify, what proportion of such earners have an effective income tax rate of 0%?

**Answer**

The information provided in the answer to Deputy Higgins's recent question regarding personal income tax (question 9586 – see: [http://www.statesassembly.gov.je/AssemblyQuestions/2016/\(9586\)%20Dep%20Higgins%20to%20TR%20re%20income%20tax%20information.pdf](http://www.statesassembly.gov.je/AssemblyQuestions/2016/(9586)%20Dep%20Higgins%20to%20TR%20re%20income%20tax%20information.pdf)) indicates that in 2014 there were approximately 15,000 personal non-taxpayers who did not have a positive income tax liability because their income was less than the allowances, reliefs and deductions to which they were entitled for that year<sup>1</sup>. The previous answer also indicates that in 2014 there were approximately 60,000 personal taxpayers plus personal non-taxpayers; therefore the proportion of non-taxpayers is approximately 25%.

Of those 60,000 personal taxpayers plus personal non-taxpayers, approximately 9,000 or 15% were entitled to the age enhanced exemption thresholds for the 2014 year of assessment.

Of those 9,000 personal taxpayers plus personal non-taxpayers entitled to the age enhanced exemption thresholds for the 2014 year of assessment approximately 2,500 or 27.8% were personal non-taxpayers.

As noted in the previous answer, the number of personal non-taxpayers will vary for a number of reasons including targeted use of resources by the Taxes Office to reduce the number of taxpayers that receive a tax return each year (i.e. when resource is available the Taxes Office will review cases where the taxpayer's income has been consistently below the tax exemption thresholds and is likely to remain that way and stop issuing them with a tax return). **Those pensioners who have been through this process and were not issued with a tax return in 2014 are therefore excluded from the data provided above.** It is estimated that the proportion of all pensioners who are exempt from income tax is considerably higher than the 30% of all Islanders who are estimated to be exempt from tax.

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<sup>1</sup> Members are **strongly recommended** to read the notes accompanying the previous answer so that they are fully aware of the basis on which that information was provided; the same basis has been used in providing the further information requested in this question.