

2016.12.12

**8 Deputy R.J. Renouf of St. Ouen of the Minister for Treasury and Resources regarding the application of the Land Transaction Tax to share transfer transactions involving commercial property: [9753]**

Does the Minister share the stated objective of his predecessor in office, as confirmed to the Assembly on 17th June 2008, to extend the application of the land transaction tax to share transfer transactions involving commercial property?

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

I am acutely aware of the fact that share transactions in companies that own commercial property remain outside of the scope of both stamp duty and land transaction tax. While recognising that this was a difficult area to address my last but one predecessor stated that it was his ambition to try and achieve the objective of encompassing commercial transactions in the L.T.T. (Land Transaction Tax) law at some point. This is an extremely complex area and previous work indicates that there is no easy solution. I can assure the Deputy, however, that if there was an easy solution we would have introduced it by now. However, I will ask my officers to look again with fresh eyes, in particular to see whether in the intervening period other jurisdictions facing similar challenges have developed solutions, which might work here. This review will be completed in advance of the 2018 Budget.

**3.8.1 The Deputy of St. Ouen:**

Supplemental please. The Minister has stated that he will ask his officers to look again with fresh eyes but can the Minister say what work has been undertaken in the last 8 years since those ambitions were expressed in progressing this matter?

**Senator A.J.H. Maclean:**

I know in the intervening period that my predecessor looked at the matter but, as I have said, it is not straightforward. There is a high level of complexity in terms of introducing it. I think it will be interesting just to look elsewhere to other jurisdictions. I note with interest that the United Kingdom has similar challenges. It indeed has not addressed such a matter and I am sure, like us, would like to do so if it was straightforward. But as I have said to the Deputy, we will look again and see if there are opportunities. None have been identified that I am aware of to date but we will review it and come back with conclusions prior to the Budget 2018.

**3.8.2 The Deputy of St. Ouen:**

May I ask, if it is such a difficult thing to do and given that our taxes are agreed that they should be low, broad, simple and fair, does the Minister think it fair that in imposing a land transaction tax on a very limited class of transactions, while excluding a great majority of transactions, does that achieve the required threshold of fairness?

**Senator A.J.H. Maclean:**

In no shape or form was I suggesting that I felt the current position was fair. Clearly it is not. All I was pointing out to the Deputy was that Jersey is not alone in being, to date, unable to come up with a solution to address this matter and it is a matter that we will focus on and see if there are some opportunities in which we can bring these companies within the scope of taxation and the assets that they contain in terms of commercial property, which he is

referring to. It is not a matter of fairness. It is unfair but then again we have not got a solution, and neither have many other places, but we will work on it.