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**5.4 Deputy J.A. Martin of the Minister for Treasury and Resources regarding an estimate of the G.S.T. paid in relation to the charitable gift vouchers given to people aged over 70 every Christmas:**

Can the Minister provide an estimate of how much G.S.T. (Goods and Services Tax) is provided to the Treasury as a result of Islanders, aged over 70, redeeming the generous charitable gift vouchers given to them every Christmas?

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

Unfortunately I cannot give the Deputy an accurate answer because we do not have access to the data from Sir David Kirch's Charitable Trust who very generously issue these gift vouchers to Islanders of 70 years of age or above. We therefore have no way of knowing how many eligible pensioners, i.e. those who are 70 or over, collect the vouchers or how many then partially or fully redeem them or, in other words, spend them thus generating G.S.T. However, what I can tell the Deputy is that the Statistics Unit estimate that there are approximately 11,400 Islanders aged 70 or over, therefore if every eligible pensioner both collects and then fully redeems them, and there certainly will not be 100 per cent take-up, but if there were then the maximum possible G.S.T. raised would be around £60,000.

**5.4.1 Deputy J.A. Martin:**

Given this is a generous charitable gesture to over-70s at Christmas, is the Minister considering making these generous vouchers G.S.T. exempt and if not, why not?

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

Yes, it is a very generous donation. I am sure Members would join with me in thanking yet again Sir David for his generosity. **[Approbation]** But it is quite simply not practical to consider exempting this particular sum and the money generated from G.S.T. to exempt the G.S.T. on this. It just is not practical. The purposes of keeping G.S.T. low was on the basis of it being simple and therefore from that point of view this simply would not be possible.

**5.4.2 Deputy M. Tadier:**

While it may not be practical to make these vouchers G.S.T. free or exempt from G.S.T. it may well be practical for the States to give an equivalent sum as a donation to a charity perhaps of our choice or of Mr. Kirch's choice or of the Co-op's choice. Is that perhaps a better way to do it and a nice gesture, a corresponding gesture from us back to the community?

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

First of all I should perhaps clarify that the vouchers themselves do not attract G.S.T. G.S.T. is on the goods that the vouchers are used to purchase, and I think that is what the Deputy was probably referring to. She is nodding so I think we are aligned on that. With regard to the Deputy's point, of course the sums raised for G.S.T. go into general taxation and are used for payments into health services, and what have you, that pensioners make good use of and of course we are, at the moment - as the Chief Minister has undertaken - looking at a targeted

G.S.T. Christmas bonus and as such that Christmas bonus would have to be funded. I am sure the funds raised in this way would go towards that.

**5.4.3 Deputy M. Tadier:**

Just to probe a little further on what ministerial policy on G.S.T. currently is. How absolute is the policy on G.S.T. being with no exemptions given that we know that written question 19 highlights the fact that private school fees are exempt from G.S.T. but certain items such as basics in Jersey are not. What is the current policy on exemptions?

[11:15]

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

The Deputy is being very naughty. He knows perfectly well that this Assembly has debated on numerous occasions G.S.T. on food, for example, which is what this is directly relating to. There are very few exemptions with regard to G.S.T.

**Deputy M. Tadier:**

It is not necessarily on food. The Co-op vouchers which are given can be used in Homemaker to buy electrical appliances, all sorts, so it is not specific on the basics of food.

**The Deputy Bailiff:**

I had understood your question to be about donations, Deputy, is that correct? I think the answer can be limited to G.S.T. donations.

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

I think I answered that part of the question.

**5.4.4 Deputy J.A. Martin:**

Trust the Minister for Treasury and Resources to make this very ... not practical, un-doable and not wanting to do. These are vouchers given to people where they can just get them and they have to spend them in a certain place, they can make the vouchers quite simply G.S.T. free, if the Minister was willing to do so. Does he not agree?

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

No, because it is not as simple as the Deputy makes it out to be. It is not about the voucher, it is about the goods that they are buying. So it would make it more complicated for the business and when you start making exemptions of this nature it just quite simply is not practical to consider doing that. That is the fact of the matter.