

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY S.Y. MÉZEC OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 2nd FEBRUARY 2016**

Question

Further to the Minister's answer to written question 9160, tabled on 19th January 2016, in which an estimate could not be provided in relation to how much potential tax income is lost by allowing the payment of Parish Rates on properties which are rented out to be offset against that rental income, would the Minister endeavour to investigate what this figure may be, or alternatively, would he consider allowing individual home owners and tenants to also claim payment of Parish Rates as an expense to be deducted from their tax contribution?

Answer

The Taxes Office would have to divert what would be significant resources into estimating this figure at this time. With the forthcoming re-design of the personal-tax system (in preparation for online filing and assessment of taxes), the Taxes Office will consider whether the benefits of being able to extract such information in future outweigh the additional compliance costs for islanders in requiring more information to be declared.

It is normal practice that the "occupier" element of the Parish rates is borne by the occupier of property as consumer of the services for which Parish rates pay. Where a Landlord pays the "owner" element of the Parish rate and is not the occupier, it is longstanding law and practice to treat that as a business expense in the course of the business of renting property. Some landlords, in some circumstances, will be able to offset "owner" and "occupier" Parish rates against taxable profit.

The Minister will consider the case for disallowing these offsets in future. It would not make sense in Jersey's present fiscal situation to legislate for a general deduction for all taxpayers and there is no case to do so where domestic occupation of property is concerned.