

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY SENATOR S.C. FERGUSON  
ANSWER TO BE TABLED ON TUESDAY 20TH JUNE 2017**

**Question**

Given that, in ‘Revised Forecast of States Income for March 2017’ (R.66/2017), it is stated that “*IFG have also given consideration to the proposals from the external review of the personal income tax forecasting model*” and the references to the adoption of “*outcomes from the external review of the forecasting model, which propose adjustments to employment income and pension income assumptions*”, will the Minister advise –

- (a) what the details are of the changes made to the forecast, if any, due exclusively to the “*external review*”;
- (b) what the split is between corporate and income tax in the forecast;
- (c) when the report arising from the review was received by his Department;
- (d) what the cost of the review was; and
- (e) whether this is the total work undertaken on the forecasting model?

**Answer**

Most of the answers to the Senator’s questions can be found in R.66/2017 (re-issue) presented to the States on 9th June 2017 by the Minister for Treasury and Resources:

- The details to the changes to the forecast and the split between corporate and personal tax are covered on page 24 figure 8 (and there is more detail on page 44).
- The two Oxera reports are included in Appendix E and F and were finalised on 25 April 2017.
- The cost of the review was £26,000.
- The two reports from Oxera cover the total work undertaken to date. However, as explained on page 45 of R.66/2017 the Economics Unit and Oxera consider that it could be worthwhile exploring a more ‘bottom-up’ approach to forecasting using more detailed information now available from Taxes Office. The Economics Unit will therefore scope out a second stage to the Model Review and agree terms of reference and timescales with the IFG.