

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY M.R. HIGGINS OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 26th MARCH 2019**

**Question**

Will the Minister advise members whether tax allowances or exemptions are allowed in Jersey for buy-to-let investors, both in respect of those who are resident in, and those who reside outside the Island? If so, could the Minister state what those tax allowances or exemptions are; and, if not, what information does the department hold about why resident and non-resident investors invest in properties in Jersey?

**Answer**

Any landlord, whether an individual or a company, who is receiving rental income from the letting of land in Jersey is assessable on such rental income under the provisions of Article 51(1)(a) of the Income Tax (Jersey) Law 1961. In computing the amount of the profits to be assessed there are deductions allowed for the maintenance, repairs, management and insurance of the property. Furthermore relief is given in respect of interest paid on loans which have been used to purchase and/or extend the property. Information regarding the calculation of profits from rental activity in Jersey is published on the gov.je website at [Property income and tax](#).

As the analysis below indicates non-resident landlords do not have a preferential tax position when compared to landlords who are tax resident in Jersey.

a) Individuals who are landlords and tax resident in Jersey

Where the person receiving the rent is an individual who is resident in Jersey and paying tax by reference to the marginal rate calculation, that individual is entitled to the income tax exemption thresholds (effectively a tax allowance); these are available to personal income taxpayers resident in Jersey. The income tax exemption thresholds for the year of assessment 2019 are listed below in table 1 and table 2:-

Table 1 Exemption thresholds

<b>Exemption thresholds</b>	
Single	£15,400
Married / civil partnership	£24,800
Single (born before 1952)	£15,900
Married / civil partnership (born before 1952)	£26,100

Table 2 Additions to exemption thresholds

<b>Additions to exemption thresholds</b>	
Second earner's allowance	£6,000
Child	£3,000 (per child)
Additional allowance in respect of children	£4,500
Child care tax relief	£6,150 (max)
Enhanced child care tax relief (pre-school children)	£16,000 (max)
Loan interest relief for main Jersey residence	£10,500 (max)

Where the person receiving the rent is an individual who is resident in Jersey and paying tax by reference to the standard rate calculation then that individual is not entitled to the income tax exemption thresholds.

b) Individuals who are landlords and non-resident in Jersey.

Where the person receiving the rent is an individual who is not resident in Jersey then the profits from that rental activity will be charged to tax at the rate of 20%. Some non-resident individuals will be entitled to the “targeted tax relief” for non-residents which was introduced in Budget 2019. The calculation of the “targeted tax relief” is dependent on the circumstances of each individual. Attached Appendix I provides a summary of the calculations which is published on the gov.je website at [Non-resident tax relief](#) .

c) Corporate landlords both resident and non-resident

Where the person receiving the rent is a corporate entity, whether that corporate entity is resident in Jersey or not resident in Jersey, then the profit from that rental activity will be charged to tax at the rate of 20%.

The information collected by the Revenue Jersey in respect of property rental is for the purpose of assessing the amount of tax which is due. Accordingly Revenue Jersey does not hold information as to why residents or non-residents persons are investing in property in Jersey.

## Appendix I

### Tax relief for non-residents from 2018

#### **Income taxable in Jersey, but total worldwide income below the relevant Jersey tax exemption threshold**

If your total worldwide income is below the relevant Jersey tax exemption threshold, the rate of Jersey tax is 0%.

#### **No relief available from double taxation**

If you're subject to tax on your Jersey income in Jersey and you're non-resident, you can claim tax relief if you:

- aren't subject to tax on any of your Jersey income where you live; or
- are subject to tax but aren't entitled to any relief on your Jersey income where you live

If your total worldwide income is over the relevant Jersey tax exemption threshold, the rate of Jersey tax is calculated as follows:

<b>Calculations</b>	<b>Formula result</b>
The total amount of your Jersey income and non-Jersey income	A
The amount of 'A' less your Jersey threshold exemption	B
Whichever is the higher of your threshold exemption less 'B' or zero	C
'A' less 'C'	D
The standard rate of tax × 'D'	E
'E' / 'A'	F%
Tax relief: Your Jersey income will be taxed at F%	

#### **Relief available from double taxation**

If you're subject to tax on your Jersey income in Jersey and are non-resident you can also claim relief if you:

- are subject to tax on any of your Jersey income where you live; and
- are entitled to relief on your Jersey income where you live

Your Jersey income will be taxed at H% which is the higher of:

- F% calculated as above
- G% calculated as the amount that you are charged to tax in the country or territory outside Jersey (excluding any tax relief to which you're entitled there) divided by the total of the amount of your non Jersey and Jersey income notified to that country to work out your liability to tax

#### **Tax exemption threshold**

The relevant Jersey tax exemption thresholds that can apply for the purposes of calculating this relief are:

- standard single exemption threshold
- standard married exemption threshold

- second earners relief