

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.J. WARD OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 22nd SEPTEMBER 2020**

Question

Will the Minister advise on the following with regards to the Income Tax of High Value Residents (H.V.R.s) –

- (a) the amount of income generated in 2018 and 2019 from the annual payment of £145,000 in Income Tax by H.V.R.s;
- (b) an estimate of the income expected to be generated in this way in 2020; and
- (c) the amount of income generated in 2018 and 2019, as well as the estimated income for 2020, from the additional 1% Income Tax on all other worldwide income payable by H.V.R.s?

Answer

The Deputy's question asks for information about those making an annual payment of £145,000. It is assumed that the reference to 'High Value Residents' ('H.V.R.s') in this question relates to those individuals who have come to Jersey by obtaining "entitled status" under Regulation 2(1)(e) of the Control of Housing and Work (Residential and Employment Status) (Jersey) Regulations 2013 and those who have access to preferential tax rates as a result. For the avoidance of doubt, this relates only to those arriving in or after 2018. Therefore, information has not been included for H.V.R.s whose status was granted under earlier legislation.

Taxpayer data relating to the 2018 tax year is available in full. Taxpayer data relating to 2019 and 2020 will not be available, in full, until after the first quarter of 2021 and 2022 respectively. The last filing date for 2019 and 2020 personal returns is the 31 July 2020 and 2021 respectively, and all returns need to be processed to obtain a full year's data. This response has been prepared using estimates where necessary.

The previous H.V.R. arrangements in force had lower prescribed limits. These were;

- £100,000 to 29th December 2010 (with lower rates of 10% and 1%)
- £125,000 to 30th June 2011 (with lower rates of 10% and 1%)
- £125,000 to 31st December 2017 (with lower rates of 1%)

In the figures provided in the answers to (a) to (c) below, the application of the "prescribed limit" of £145,000 under Article 135A (3A) of the Income Tax (Jersey) Law 1961 is time apportioned to the date of arrival of the H.V.R. in that year.

The information below relates to the tax years 2018, 2019 and 2020.

- (a) The income generated from payments falling within the prescribed limit is;

2018 £ 432k

2019 £ 2m (estimated)

(b) The income expected to be generated within the prescribed limit for 2020 is £3.8m (estimated)

(c) The income generated on the tax on income at 1% is;

2018 £134K

2019 £180k (estimated)

2020 £301k (estimated)