

5. Statement by the Minister for Treasury and Resources regarding Land Transaction Tax

5.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I previously announced that I would bring Regulations and an Appointed Day Act for land transaction tax to the States before the summer recess with a proposed implementation date during the autumn of this year. However, in the light of economic conditions, I have decided to propose a delay to the implement date to 1st January 2010. The Regulations and Appointed Day Act will accordingly be lodged before the States in September and I propose that the Assembly considers the Act on 8th December 2009. This will mean that all decisions relating to property tax and stamp duties is debated during the budget and introduced on the same day on 1st January 2010.

The Deputy Bailiff:

Very well, now, does any Member wish to ask any questions on this statement?

5.1.1 The Deputy of St. Martin:

The Minister is holding up a red rag to a very docile bull who is not very happy and very frustrated. It is 5 years ago now that the States agreed to my proposition. In fact, it was a unanimous decision that we should introduce or we should do away with share transfer so all members of the public would pay a share for stamp duty when they purchase their houses. How can the Minister reconcile his decision to continue this unfair practice whereby those who are paying stamp duty will continue to do so but those who have share transfer will not do so?

Senator P.F.C. Ozouf:

If I may say, the Deputy of St. Martin does not have a monopoly on a strong view of the need to sort out stamp duty and to bring all property transactions to the same level of stamp duty. What I will say, in defence of the 5-year delay, is that this has been and remains an incredibly complex law which has required a great deal of work to deal with it. I do not think anywhere else in the world has found the solution to dealing with share transfer in the way that we have here. So, we are as one on the need to deal with it. I do think, however, with the substantial freezing of property markets in the Island, a delay of effectively 3 months and introduction on 1st January... he will be aware that stamp duties have been cut in other places; we have not done that in Jersey. This is one element of potential fiscal stimulus for the property market but I am committed as he is to bringing it in as soon as possible.

5.1.2 Deputy G.P. Southern:

Given the nature of the statement and his decision to delay the imposition of an extra tax, can the Minister indicate to Members how healthy or not our financial position is by giving us some figures?

Senator P.F.C. Ozouf:

I think that is rather off the question. If the Deputy wishes to apprise himself of the strong financial position of the States, then he needs to look and I hope he will, in detail, at the States Accounts that have been published today. What I can say, in relation to an important revenue stream of stamp duty, is that we are expecting stamp duty revenues to be substantially down as a result of the freezing of the property market in recent months. The latest advice I have is things are beginning to work, banks are lending in the Island and all properties will be subject to the same level of stamp duties with concessions given to first-time buyers, *et cetera*, on 1st January. Of course, that is subject to the States decision at the budget later this year.

The Deputy Bailiff:

Does any Member wish to ask a question?