

Minister for  
Treasury and Resources



19-21 Broad Street | St Helier  
Jersey | JE2 4WE

Senator K Moore

Chairman

Corporate Services Scrutiny Panel

16 April 2020

Dear Senator Moore

### **Revised Timeline for 2020**

Thank you for your letter dated 24<sup>th</sup> of March 2020, I do apologise for the delay in responding. I hope you will appreciate that it is quite early in the day to be setting the future Treasury work programme in concrete. That said, I am happy to share my early thinking on the programmes you identify.

#### **Personal Tax Reform.**

All our tax officials are currently largely engaged in work related to Covid-19 responses. Thereafter, I have asked tax-policy officials to continue to prioritise the Personal Tax Reform with a view to meeting my commitment to introduce reforms to the current system of “married taxation” for the 2021 year of assessment; and independent taxation for the 2022 year of assessment – with transitional provisions to protect those who may be disadvantaged by an overnight change. I expect this to feature in the next Government Plan and to lodge legislation in the autumn to allow the first phase of work (reform of married taxation) to take place as planned. It has yet to be determined whether this legislation will form a stand-alone Amendment Law or be presented through the next Finance Law and we will need to take advice from Law Officers. We will share draft legislation with you as soon as we can to enable you to begin scrutiny work as early as possible. As part of the review, I have asked the team to accelerate thinking on the work we proposed in the Government Plan to review the case for bringing Prior Year Basis taxpayers onto the Current Year Basis of accounting.

#### **Revenue Administration Reforms.**

You have the latest draft of the two amendment laws and I will lodge them when it is appropriate to do so (as the States Assembly’s work programme begins to return towards “normal”). It would be helpful if you could raise any remaining issues as soon as possible so that implementation can in due course proceed smoothly and with your support. I believe we have addressed every issue previously raised by the Panel and external stakeholders: these changes represent important reforms to our archaic tax laws.

As I have indicated separately, I will consider carefully the right timing to introduce interest charges on unpaid taxes which was due to commence in January 2021. In the light of current circumstances, it may be appropriate to defer this further. Please do respond to the letter I sent in July 2019 inviting your views on the structure of that legislation.

**Office Strategy.**

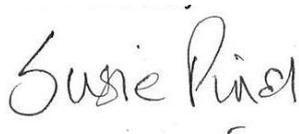
This programme remains on-track with plans to agree a partner by the end of August. There are some assumptions that need testing in the current OBC work as a result of Covid-19. These include financial assumptions on costs and receipts as you would expect but also a review of employers' requirements is needed to test the previous approach on who would be located in the new headquarters and therefore how large the building would be.

**Relevant projects agreed within the Government Plan 2020-23.**

As part of work to identify funding that can be utilised to address the immediate needs of the pandemic, a review of existing capital allocations has been underway. We have asked departments to look at any funding that may not be needed and any projects that will be and/or could be deferred in the current financial climate. This review includes existing capital allocations that may have budget allocated under the old Public Finances Law but are not needed in 2020 on a cashflow basis. Once that review has concluded we would be happy to share the detail with CSSP.

I hope this answers your questions at this stage. I will however update you and the panel further should there be any further changes.

Kind regards

A handwritten signature in black ink that reads "Susie Pinel". The signature is written in a cursive style with a large initial 'S'.

Deputy Susie Pinel  
D +44 (0)1534 440215  
E [s.pinel@gov.ie](mailto:s.pinel@gov.ie)