

# STATES OF JERSEY



## **GOODS AND SERVICES TAX: EXEMPT OR ZERO-RATED ITEMS (P.86/2006) – AMENDMENT**

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**Lodged au Greffe on 7th July 2006  
by Deputy A. Breckon of St. Saviour**

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**STATES GREFFE**

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*After paragraph (g) insert the following new paragraph –*

“(h) energy and fuel.”.

DEPUTY A. BRECKON OF ST. SAVIOUR

## **REPORT**

The last 2 years have seen some significant global price increases in oil and energy prices from which Jersey has not been sheltered.

Price rises are still filtering through the economy and I believe it is an “own goal” to introduce G.S.T. on a basic human need – light and heat and this will add to domestic inflation.

Similarly for petrol and diesel – a 3% increase would have a ripple and ongoing inflationary effect, with greater profits for the operators.

There has been some proactive exposure of garage pricing and practices by the Jersey Consumer Council and others over the last 18 months to highlight lower prices and value for money. The addition of 3% (or more G.S.T. could jeopardise this and focus the “blame” for higher prices fairly and squarely on Government.

Other ways could be utilised to raise revenue from the utilities – a windfall profits tax or impôts and extension thereof.

I believe many people could suffer domestic hardship if 3% (and more) is added to basic household bills.

### **Financial and manpower implications**

Senator Syvret mentions at page 8 of his Report, suggestions for “alternative ways of raising tax revenues” – I agree that other methods should be given more serious consideration – not discounted.

Also Senator Syvret in his report (page 8) mentions the possibility of a “higher rate on non-essential items”. He qualifies this by stating that “This is not my favoured option”.

The manpower implications of any exemptions from G.S.T. would be dependant upon the totality and acceptance of the whole scheme.