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Corporate Services Scrutiny Panel  
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**By email**

03<sup>rd</sup> July 2023

Dear Chair

**Draft Income Tax (Amendment – Stage 2 of Independent Taxation) (Jersey) Law 202-**

Thank you for your letter of 28 June 2023.

Firstly, I was surprised to read the letter to you from Citizen's Advice Jersey (CAJ). My understanding is that Revenue Jersey has built a good working relationship with that organisation in supporting the valuable work that they do. I am assured that lines of communication remain in place and that considerable engagement has taken place on this and other matters over the past two years.

Rather than a "lack of communication and consultation" it is arguable that the project to introduce Independent Taxation has undertaken the widest and most thorough consultation on a tax project in recent memory. In my [19 April 2023 letter to you](#), I outlined the consultation and engagement that Revenue Jersey has carried out in relation to Independent Taxation.

It is true that a mandatory move to Independent Taxation would necessarily generate more tax returns: many couples who currently have one return will have two forms to complete each year. However, the evidence shows that increasing numbers of Islanders are choosing to file their returns online and we expect that trend to continue. The automated processes involved with online filing significantly reduces the administrative burden on Revenue Jersey and improves the customer experience.

The overwhelming response from customers received via 5-star feedback on the online tax return forms, indicates that once logged into their OneGov account, people find that filing online is much easier than filing on paper. This positive feedback comes from customers regardless of their age. The online process has help notes built into the form, plus the advantage of a time-stamped receipt; the customer also receives a PDF of the information they have submitted (which provides peace of mind and is helpful for next year's return).

Revenue Jersey continues to work with Modernisation and Digital and Customer and Local Services to enhance the assisted digital support offering so that the Digital ID 'barrier' is reduced, allowing Revenue Jersey to increase the take up of online filers. It also means Revenue Jersey

can reduce the time spent on data entry of paper returns, freeing up officer time to provide more support for customers who need the most help with their tax returns.

In addition, Revenue Jersey estimates that as many as 65% of pensioner couples will only need to file one return if Independent Taxation is adopted. Further work will be undertaken to identify other couples who have lower fixed incomes, so they can also be removed from the need to file wherever possible.

Turning to the specific questions posed in your letter and taking them together:

- In **September 2021**, Revenue Jersey engaged with the previous CEO of CAJ to obtain feedback on the communications planned for Independent Taxation.
- In **December 2021**, Revenue Jersey conducted a briefing and workshop for all staff at CAJ, providing a detailed run through of the changes enacted by Phase 1 Independent Taxation, and to discuss general tax enquiries.
- In **January 2022**, (following the December 2021 meeting) Revenue Jersey implemented a new policy to stop directing taxpayers to CAJ for help. Revenue Jersey asked CAJ for guidance on the scenarios in which it would be acceptable to direct enquiries to CAJ.
- In **March 2022**, Revenue Jersey provided a 'Signposting Guide' to address matters discussed at the December 2021 meeting.
- In **April 2022**, Revenue Jersey provided a briefing on PYB Payment to CAJ staff. Whilst an extensive Q&A guide was supplied to CAJ, the overarching message was that Revenue Jersey was available for queries and that CAJ should direct customers to Revenue Jersey.
- Around **September 2022**, Revenue Jersey ran a briefing for CAJ staff demonstrating the new online tax enquiry form, so that CAJ could use the form and educate their customers on this self-service option, with the aim of reducing future enquiries, particularly around ITIS Effective Rates.
- In **January 2023**, Revenue Jersey distributed the printed version of the 'Optional Election Leaflet' to married couples and civil partners who file on paper. Unfortunately, due to an oversight, the reference to CAJ was not removed (it had been in the previous year's version of the leaflet). Revenue Jersey apologised to CAJ for this error. The electronic version sent to married couples and civil partners who file online did not contain this reference.

From the outset, Revenue Jersey has been clear in communications and at public briefing events, that additional and accessible support, in audio, video and printed form, will be made available for any Islander who wants guidance on completing a tax return. There are a few relevant observations to consider when assessing the extent of help that is likely to be needed should the States adopt mandatory Independent Taxation:

- Feedback from public briefings provided in October 2021 highlighted that for every wife/spouse B who was unfamiliar or unable to complete a tax return, there was another who had completed the return for her husband and asked him to sign the return. Many couples had done this for decades.

- The Community Helpdesk programme offers opportunity for Islanders to seek help more easily from Revenue Jersey: from setting up a Digital ID to checking a completed tax return. It has become an ongoing part of Revenue Jersey's support offering.
- As mentioned above, it is likely that Revenue Jersey will be able to remove significant numbers of customers from the need to file a tax return, where they have lower fixed incomes.
- Everyone moving to Independent Taxation does and will receive a Change Guide. It contains step-by-step guidance on the steps and the paperwork they will encounter over the 18 month transition period.
- The 'top tasks' part of the Change Guide has since been developed into a quick start guide that supports taxpayers through the tax return annual cycle. This has proved an effective education tool at the Community Helpdesks and is currently available at Parish Halls and CAJ.

In conclusion, I can assure you that Revenue Jersey is committed to ensuring the required resource and funding is in place, in good time, to ensure the burden of the transition to Independent Taxation does not fall heavily on CAJ when the first returns under Independent Taxation are filed from January 2026.

Finally, you may be aware that the current CEO of CAJ is a member of Revenue Jersey's Policy and Legislation stakeholder engagement group, which meets quarterly, so I can assure you that impacts on CAJ remain a key consideration in developing tax policy and the potential impact of those policies on Islanders.

If you require any further information, please contact me.

Yours sincerely



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