

Corporate Services Scrutiny Panel – Independent Taxation Review – Submissions from Members of the Public

Anonymous 1

- 1) Why has this taken so long to happen?
 - 2) Where does this figure of £4m come from? Surely you are simply adding individuals to whatever system you are using instead of combining married couples/civil partners together?
 - 3) Is the Tax Office actually prepared for this change? Have they/will they be trained to actually understand this new process?
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Nicki Heath

Whilst I support Independent taxation as an idea I need information. I am infuriated that in the gov press release of the proposal that at the end it says this:

“At this early stage, Revenue Jersey is not able to answer questions about the personal impacts of Independent Taxation.”

As the panel calling for evidence, I'd point out that I have no idea what this means for me at all.

There is no details as to the allowances that will be in place.

No examples of a variety of incomes either and what can be expected.

Will taxpayers be paying more if one has an income greater than the other partner?

Will we be allowed to elect to give unused allowances to the other partner? This would be an uneasy way. I can't see mention of it and I can't ask Revenue Jersey.....

The U.K. does this and so does Guernsey.

I can't tell if this is an idea that the Minister might have in her allowances to be announced.

I also can't ask Revenue Jersey.

Most people finding reading legislation a problem, most are not lawyers, so it's not helpful if that's all we have to rely on.

When the tax allowances for students in higher education was removed there were unintended consequences to that, which affected many parents financially, they were not obvious, and no States Assembly member noticed it or asked about it in the debate. Some lost several thousands of pounds.

I have little trust in this government as it is after the last couple of years and telling islanders they can't ask questions just increases the level of mistrust.

If the panel are able to extract some level of detail out of Revenue Jersey, I'm sure there are many that would love to know.

As it is without it, I can't say one way or another if I like the proposal or not, or agree with it.

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Unfortunately this seems to be the way of government, and not being able to get information is seemingly the norm.

Press released referred to.

<https://gov.je/News/2021/Pages/IndependentTaxationPropositionLodged.aspx>

Jon Stasiak

In reference to your proposed changes to taxation:

Please don't tax couples independently. In most couples it's one person that manages / files the taxes anyway. This change is a complete waste of time and money.

Pamela Spooner

Firstly I think it should be a choice. Secondly as my husband and myself are both pensioners and our income is purely from our pensions, I would not wish to have to submit separate tax forms.

Finally, I think that the timing of spending £4m plus, is reckless to say the least. Nobody really knows what will happen with regard to Covid, there could be several more lock downs etc. business and people will need more assistance. Added to this the tax office is in such a mess at present, changing things will cause even more chaos.

William Church

There are circumstances where this will be better, but equally there are others where this is just going to create more paperwork and add additional cost and time.

There should be an option for married couples to continue to submit tax returns jointly provided both parties are happy to do so.

Anonymous 2

Thank you for the opportunity to comment on this important piece of legislation.

I will respond directly to the questions you raised but I would first like to make some general comments.

Introducing this legislation piecemeal will financially prejudice many married couples. The fact that only certain married couples are brought into the law or can elect in the first phase means that those who cannot will not benefit from the change from married couples allowance to singles allowances. Whilst I can understand a preference to test the impact with a smaller set

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of taxpayers, this would not be needed if the work had been properly carried out and consulted upon. In addition why is it that only those who elected to be separately assessed in 2020 can elect into independent taxation for 2022 but no-one else can. This seems discriminatory. If they want to test a small proportion they can do this behind the scenes with no actual change to the financial position of the taxpayers until the law was fully implemented.

We have also constantly been advised by Revenue Jersey, and quite recently I believe, that there is no benefit or detriment to a couple electing to be separately assessed. There clearly is now for couples who so elected by 2020 and who can elect for independent taxation. The amounts of potential benefit are not insignificant and I suggest the panel asks Revenue Jersey to provide some worked examples as it will of course depend on the specifics of the taxpayer but in some cases it will be a few thousand pounds - not insignificant to most people! I suggest that all married couples are allowed to elect from the same date.

I am also very concerned that whilst the general concept of independence taxation was subject to public consultation, the law itself and the mechanism by which this is being introduced is not subject to public consultation. The law and piecemeal approach has not even been consulted upon with tax agents on the island.

The proposal also states that the Government Plan made a commitment to ***begin to introduce*** independent taxation for the year of assessment 2022 but the Government Plan actually stated that It remains our goal to implement full independent taxation for the year of assessment 2022. The Minister has therefore not delivered on this and has instead changed the mechanism to a piecemeal approach. We have no visibility on what will be included in future tranches and therefore what full independent taxation will look like.

As a result, the proposal is fundamentally flawed and it will be up to the next finance minister and new assembly to deal with the more complex elements of the law.

Overall I am very disappointed that the Minister has decided to go ahead on this basis. It seems as if there was an urgency to bring something into law before the end of the current assembly rather than make sure was was introduced was fair and complete.

In response to your questions:

- I will not personally be affected as we are a single income couple that does not benefit from any allowances.
- As noted above, these changes are not equitable
- The proposals will mean that some lower income families who are not allowed to elect into the regime will be financially disadvantaged for one year compared to others who elected for separate assessment and so are allowed to elect into the new regime one year earlier. It is more likely that those on higher incomes and are more financially aware will have elected into separate assessment and so be able to benefit.
- I need to know what will be in the second and third tranches of independent taxation in order to make the switch.
- It was always going to either cost the government money to do this or disadvantage certain classes of taxpayer. I have no issue with this costing government if it means getting rid of joint taxation. However since we don't know exactly how the full regime will work, can government really estimate the financial impact?
- Children will be impacted if their parents financial position is impacted.

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Whilst I do not agree with this being introduced in tranches without knowing what the next tranches will be and when they will be introduced, I do appreciate the complexity of introducing independent taxation given the complexity of our current personal tax system and how allowances and reliefs are provided. I also therefore understand why a full solution has not yet been provided as it is difficult. However the review has been ongoing for some 10 years, albeit not all under the current Treasury Minister, and so one would have expected more progress by now. Ultimately the government will have some difficult decisions to make in how it is fully implemented as it is likely some taxpayers will benefit and some will be adversely affected. Alternatively it will cost the government more if they want to ensure no-one suffered financially. But if they ultimately want to introduce it these difficult decisions need to be made.

Sarah Bisson

Jersey's tax system has for too long enabled abusers to control their partners. Financial abuse is part of domestic abuse and can prevent partners escaping domestic abuse and, ultimately domestic violence. Financial abuse is just another way of chipping away at someone's self esteem, making it even less likely that they can escape.

Giving people a 'choice' as to whether they are taxed as a couple or individually would not be effective as abusers would not allow their victims that choice.

The proposal would allow abused partners to have some control over their lives which may be a small step to escaping and rebuilding their lives.

James Monnelly

This is a view as both a tax payer and relatively new Revenue Jersey staff member. Currently separately assessed from my wife so hopefully will be able to take advantage from 2022.

Advantages I see are:

1. Effective rates for It is work well when both spouses receive income from It is but if either has self employment income the tax system tries to collect the whole liability through Itis which can inflate the rate for both parties. Particularly if one is self employed or retired the other spouse is automatically given an itis rate to cover the whole liability, which can create difficulties. Independent taxation would ease this.
2. Separation and marriage. Not only this is difficult from an admin view in the tax office, it can also be difficult to understand for the taxpayer. Particularly in separations especially if one spouse was earning ore than the other. Can be difficult to unwind

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everything. Additionally the process can take sometime to complete because of work backlogs.

3. Quicker Assessments. With a joint assessment often one spouse completes the return on behalf of both spouses. This does often result in errors causing the return to fall into manual assessment rather than straight through processing. With each spouse completing their own return, the amount of errors should reduce therefore reducing the returns that fall into manual assessment.

Anonymous 3

We need to know more information, as a married person if one person isn't earning and the other is, do you still get the married allowance??

If not then can't afford to live if only on a single persons allowance.

Anonymous 4

I was in an abusive relationship and the fact that the tax bill went to my (now ex) husband, was horrendous. He used to use it as a bargaining tool for things. This needs to be made separate. It's an archaic law that demeans women and can fuel abuse in relationships.

Anonymous 5

Regarding the proposal to see partners in a marriage or civil partnership to be taxed separately from 2022. I am in agreement with this as I have always opted to be taxed separately from my husband. I do not feel it should be his responsibility to pay my taxes from the income earned by me.

One point that I would like addressed is that if this is approved, can we as women have our tax reference? Currently I am using my husband's tax reference with a W added to it but when I make payments with my tax reference number with the W, most times it gets applied to my husband's tax reference and my tax liability remains. I should not have to keep checking with the tax office to make sure that the payment has been applied correctly. Hence my request for an individual tax reference number.

Anonymous 6

I cannot wait to be taxed individually. Revenue want to take my ITIS rate up to 25% from 18%. We were on current year tax status and in credit. He retired April 2021.

They have not invoiced him as expected so now we are behind again. So frustrating

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They are muttering that if they have recovered a certain amount through ITIS then they won't invoice so it's different if wife is working, they just take from her

If taxed separately will the liability rest purely with each individual or would recovery default to the wife?

Joan Hennequin

How will these proposals affect couples where one of them stays at home to care for children and does not have their own income

Amy Hall

I think that there should be a choice to be taxed separately singly or as a couple.

My mother has never completed a tax return (like many pensioners) and doesn't wish to – she's happy with a couples return.

As proposed couples get taxed separately, with them having to divide deductions and reflect that in two forms? More work for people, more work for the tax department and something that's not needed.

By all means give people the choice, but don't force this on people.

Anonymous 7

Good Morning,

I have posted a comment on the website in relation to Scrutiny's exploration of this matter. However, in a public forum, I was unable to back up my comments with the reasons why I feel so strongly regarding this matter.

Financial abuse of partners is a serious issue which impacts many more people than one might imagine. In 17 years of teaching I came across a number of parents who over time confided in me about the abuse and violence they were enduring. They often did not even realise that financial abuse formed part of their misery, but virtually each and every one of them felt that in part they could not escape due to financial constraints. This was not confined to partners on a low income but those earning substantial incomes - sometimes far more than that of their abusers - over which they were allowed no control.

For nearly six years I worked for the Jersey Prison Service as the Education Manager. During this time I met a number of perpetrators of domestic violence - but more worryingly many more incarcerated for other crimes who were abusing and controlling their partners, including

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financially. All were generally very personable, plausible and charming - that is how they got away with their abuse.

Therefore please do not be seduced into making a suggestion to the Government that people be allowed to 'choose' whether they want to be taxed as a couple or individually as the financially abused would not be allowed that choice by their partners.

My very close friend suffered horrendous financial and emotional abuse for years. Her husband engineered circumstances to make her feel inept with money until she agreed to have her salary paid into his bank account and every month she was given an 'allowance' to pay all the family's household expenses e.g. food, kids' clothes etc. Of course, the allowance was never enough and each month she would have to beg for more money and was belittled and berated for her 'failure' and 'uselessness'. She genuinely believed this and would often say to family and friends when being urged to escape her abusive marriage that she was 'no good with money', that she 'wouldn't cope' on her own if she left her husband and would 'fail' her children by 'dragging them into poverty' (direct quotes from her abuser). Indeed, even when she did leave she allowed his lawyer to handle the entire divorce and agreed to be the one 'to blame' for the end of the marriage. This was not for want of many of us offering financial support - she just genuinely believed that she wouldn't be able to cope with paying a lawyer and would end up 'wasting' our money because she was 'useless with bills'. Although she is now free and has successfully rebuilt her life, she still to this day believes she is 'incompetent with money' and 'wasteful' when in fact she manages her financial affairs and that of her children extremely well.

This proposal will not end financial abuse but it will be a step towards preventing rather than promoting it as the system does now. That little bit of recognition that someone is 'worthy' and 'capable' of handling their own tax affairs could help people on the often long and painful journey to escape the misery and torment of domestic abuse and violence.

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Happy to discuss further.

May I add one further comment to my submission please? Whilst I do not agree with this being introduced in tranches without knowing what the next tranches will be and when they will be introduced, I do appreciate the complexity of introducing independent taxation given the complexity of our current personal tax system and how allowances and reliefs are provided. I also therefore understand why a full solution has not yet been provided as it is difficult. However the review has been ongoing for some 10 years, albeit not all under the current Treasury Minister, and so one would have expected more progress by now. Ultimately the government will have some difficult decisions to make in how it is fully implemented as it is likely some taxpayers will benefit and some will be adversely affected. Alternatively it will cost the government more if they want to ensure no-one suffered financially. But if they ultimately want to introduce it these difficult decisions need to be made.

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Simon Wilson

Is this a back door plan to increase government revenue?

How can we be sure that married couples will not pay more tax under this proposal?

It seems that Minister Pinel is trying push through as much change as possible before next year's elections.

Owen Lewis

It is assumed that the broad intention is that no-one should end up paying more tax under independent taxation than they would have paid if they were taxed as a married couple. The current tax system is complex and has to deal with many different scenarios - married couple one working one not, married couple with children both working etc etc. The implications and financial impact of moving to independent taxation will vary depending upon the individual underlying circumstances of each and every couple. It will simply be impossible to recognise

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and legislate for all the different potential scenarios and, trying to do so will simply waste an inordinate amount of time and effort. Perhaps there should be some form of transitional process whereby the aggregate liability of the two parties to the marriage should be compared to the notional liability that would have been due had they been taxed as a married couple and an adjustment made with this 'flexible' approach being taken for a period of (say) 5 years from introduction of independent taxation?

David Waters

The choice of separate taxation should be optional not compulsory.

Too many wealthy islanders are avoiding tax by private investment companies.

Roger Selwyn Brown

As a retired married couple we understand that under proposed independent taxation we would each receive an allowance which in total would be equal to the present married couples allowance

As 75% of our income is attributed to myself 50% of current allowance applied to that 75% would mean that i would have pay substantially more tax

Whilst we appreciate what is trying to be achieved it seems rather unfair to foist this new policy on retired married couples who are facing ever increasing costs with little or no increases in pension income plus having to find money to settle PYB to CYB

The result of these policies will inevitably have a substantial impact on a fragile economy and any support for our grandchildren's education will suffer

We really feel that treasury need to give some serious thought to this point

Anonymous 10

At the moment I do not pay income tax as a married couple.

If the tax office continue to say that both pensions are mine, I will have to pay 2,000 pounds or more income tax with independent taxation.

I fail to see how we can both live on that reduce income.

1. I have always understood that Social Security law did not allow you to have two pensions.
2. Will they also require me to pay tax when I am dead?

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Without this my situation of me having to pay tax on two pensions, my position tax wise will not change.

Anonymous 11

I thought couples could already choose to be taxed separately so why is it being formalised now?

If Treasury are trying to raise further funds through taxation then shouldn't the first targets be the 23e's whose baseline tax commitment of £145k is far too low in relation to the benefits to them of Jersey residential status?

Many couples in the employment (and therefore tax paying) demographic are already struggling financially as the cost of living/housing (which is adversely affected by investors being allowed to buy up housing stock) is rising while incomes are dropping, so clear and honest reasons must be given to justify any changes. After all, the full incomes from both parties are still submitted on the tax forms... A revision to individual taxing of married/civil partners should be assessed on a marginal relief basis so that legal partnerships are not disadvantaged.

Discouraging couples from making a legal commitment has wider socio-economic implications and taxation is often a factor.

Maria and Howard Morris

Deputy Pinel's proposals to launch new tax laws demanding tax returns from each individual in a marriage or civil partnership is most unwelcome and must be resisted. Her pathetic excuse in justifying this revision by ensuring "equality for women" is just woke nonsense and she knows it. We know plenty of married women who are only too happy to have "hubby" handle this chore and all the paperwork, arithmetic, and legal liability that goes with it! The Treasury Minister should be trying to make life simpler for people, NOT doubling the workload! The sheer stupidity of this suggestion begs the question what is really behind this proposed change? Is Pinel under pressure from the UK, or worse the OECD, because they have difficulty spying on the Jersey population without an individual unique tax reference number? If so, tell them to get lost – we are a fully independent jurisdiction and will handle our taxation as we please. Or is this the result of Jersey lawyers or law companies looking for something else to earn large fees from in fiddling with (sorry reforming!) perfectly functional law which has worked well for many decades. If it is the latter then the people need to know whether Deputy Pinel or anyone else involved in this suggestion has a conflict of interest in benefitting from consequential and substantial Government expenditure. If this unwanted and unwarranted change is forced through the States then we trust that the tens of thousands of Jersey housewives will remember that at the Ballot Box next year.

John Poole

We have no idea of what the Government are proposing, please explain with examples.

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How does it affect a married couple who are retired?

Will it cost us more?

Where is the publicity or consultation for this?

What is the reasoning behind this?

Who is I'm favour of this change?

Can I pay my wife a carers allowance!

Laura Traylen

It is a shame that a call for partners to be shown and treated equally on our tax forms has turned into everyone being taxed as a single person definitely not what I wanted.

From what I can tell this will hit me and my husband and many more middle earners in the pocket when we struggle at times anyway.

Now - on the years I have not been able (due to health) to earn enough to pay tax, my husband gets the small benefit of my allowance that has not been completely used by me, baring in mind he will at these times be helping me financially.

New system - from what I can gather and I would like confirmation of this or an explanation of how it will work. If I don't earn enough to pay tax then that's that my husband will be partially supporting me but only getting his single persons allowance? Will he be able to claim for supporting me to a degree?

Thank you I look forward to a response.

Anonymous 12

At the present time there is not enough information available to arrive at a decision about this.

It sounds a good idea but it will cause some many questions, some of which will not be discovered, should the proposition is adopted.

I feel that overall the taxpayer is having to go through too many changes, first with the adoption of being taxed on a current year basis - I believe that the majority of taxpayers do not appreciate that they still owe a years tax but they soon will later this year and this will all cause unrest. This together with the new proposal will leave taxpayers in a very unsettled and confused state. Then throw in the affects of the pandemic etc.....

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Overall the two processes of collection of 2019 tax over a period of time, a relief for several years to compensate for the extra tax because of independent taxation and the completion of returns, encouraged to be done on line, by taxpayers who have not completed tax returns for many years will cause disillusionment.

Also will this work be done in an allotted time?

Accepting tax returns and issuing assessments, done on line, without being checked manually is not the way forward which appears to be done now.

Anonymous 13

The Minister for Treasury & Resources has proposed to separately tax both partners in a marriage or civil partnership from 2022.

This will impact families those with lower incomes and/or with children, and especially families where only one person is the earner.

The transitional relief proposed should be permanent, based on a threshold, to ensure that lower income families with only one wage earner are supported adequately.

Alternative, an extra part of income support should be created - again with a threshold to be determined - to support those families who will otherwise lose out.

Any thresholds should be pegged to inflation and cost of living.

Barry and Wendy Simpson

I believe it would be wrong to compel Partners or Married Couples to file individual tax returns if they do not wish to do so. By all means allow everybody the right to file individually if they wish but to compel it could be prejudicial and unfair particularly to the elderly.

The reason is that whilst society has changed and equality issues have become more evident in employment and other matters many peoples life styles, relationships and in particular income are still locked into a past age. Perhaps pre libertarian

During the last century and throughout their working lives it was customary/normal and acceptable for the Man to be the financial breadwinner and for the Wife to raise the children and make the home.

Hence a partnership of one relying on the other with one main source of income.

Logically then one tax return on joint incomes.

However whilst society has continued to evolve many now retired couples are still in the same situation because sole or larger incomes gained in the past by the male partner have now resulted in proportionately larger pensions and other work related income.

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Up until now couples where their is a gross inequality of their income have been allowed a larger deduction before tax is applied on their joint income. However with the proposed change to individual taxation the major bread winner will be taxed as a single person when effectively they may be supporting two.

FORCING INDIVIDUAL TAXATION IS NOT EQUALITY BUT ENSURING INDIVIDUALS GET A FREE CHOICE IS.

That satisfies the Human Rights and Gender Equality dogmas but avoids the potential for unnecessary hardship and domestic difficulties.

Anonymous 14

I have read the draft legislation and whilst it will suit many couples I believe that my wife and I will not benefit from the proposed changes. We have been married 44 years and I am and have been the sole income for the majority of that time. We are both approaching retirement of which one can see that the changes will affect us adversely. I believe we are one of the 8,000 couples. If read correctly you are making provision for this, which I sincerely hope so. With this I hope that we both have nothing to be worried about.

Anonymous 15

The information notes it is about equality. But later talks about phasing out compensatory allowances - this is evidence, in my view, that the drive is about increasing tax revenue not equality.

The information also uses the term "allow" movement to independent filing. Is this meaning "allow the government to enforce independent filing" or "allow people to choose"?

Frankly, the admin headache at home, and the prospect of increased tax is not welcome.

If it ain't broke, don't fix it. Where is the cry for change? Where is the democracy here? Who is being marginalised by having to file joint returns?

I am genuinely worried this island is destroying itself with continuous urgent spending rather than saving to spend. Bankruptcy possible.

Anonymous 16

"Independent" taxation.... What this means in practice for myself and my wife (both retired) is that our allowance will go down from £27500 to £16000. On top of that is the postponed payment and proposed loan arrangement for 2019. I am 72 and I can see nothing ahead of me other than increased tax payments year on year. We are on a limited income and I have paid tax since the 1960s. I am aware that some allowances may be made but I have seen no detail of these anywhere. The whole situation is extremely worrying and there will be plenty of other people in the same situation. I believe the number of households adversely affected will

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be over 7000! All on low incomes. Does the States of Jersey really want to pauperise people? There must surely be a more equitable arrangement.

I believe some consideration may be given to “transferable allowances”. The latter sounds like a reasonable idea and may be a solution to the kind of problem I was referring to in my submission.

Anonymous 17

I have been completing a joint return for my husband and myself 23 years and wish to continue to do so. Like many couples I know, I earn more than my husband, working in the finance industry, and therefore find the process easier to deal with.

The one time I needed to discuss our return with the tax office, my husband had to speak on the phone and act as a parrot repeating each side of the conversation- absolutely ridiculous! Now he has ‘given me permission’ to deal with it, which we both find archaic and very condescending.

Independent taxation is nothing to do with equality, to achieve that allow either of us to be responsible for completing/discussing our tax affairs whilst still completing a joint tax return.

I would be interested to receive your comments as to why changing the current system is necessary at a time when the tax office appears unable to cope and following such a disrupted year due to the pandemic.

Anonymous 18

I would like to know how it will work for me as I am the only one working in our household as my husband is unable to work due to illness but he only receives 30% LTIA which is 256.66 per month. I am supporting him now so how will that affect my allowance if we do not get married persons allowance, I am already paying 25% tax each month. I cannot afford to pay anymore tax as we live month to month now. It is another way to make the poor poorer and the rich richer which is appalling in my opinion.

I think it should be a choice of whether you wish to opt out or not.

Sue Queree

Even though this doesn't affect me as I am a widow, I believe the best way, even though it may be costly, is to give people the choice, ie to be taxed jointly or separately.

Anonymous 19

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I would like to express concern regarding the proposed amendments to the taxation in Jersey.

I understand that the new proposition would aid those in domestic abuse scenarios but I implore you to consider the impact on the majority - the families with single incomes (for whatever reason).

In general, the family unit has faced so many added strains over the past years with many more pressures and hardships. Please consider what you as a state can do to protect the family unit - preserving family time, empowering and enabling the parents to raise their children well and the next generations will surely benefit from this. We have lived in countries where independent taxation has been adapted and it has been devastating to single income homes, forcing both adults to seek full time employment to make ends meet.

In our specific situation, I am honored to be at home with my children - it is by choice and part of our values. I am actively involved in nurturing them, educating them. I am also actively involved in our community - spending many hours of my day volunteering for charities or assisting members in our community in various ways. Although I am not remunerated for any of my "work", I am definitely not idle and am very much a contributing member of society. We live off a single income - with my husband working extra jobs to enable me to be at home. We are extremely careful with our budget - not a penny is spent carelessly and all spending is meticulously recorded to ensure that we stay on budget. It is our preference and our delight to live with a lower income but to afford me the opportunity to build into the lives of our children and also assist others.

If the proposed change to independent taxation is adopted, we would not be able to financially survive. I know that I am not alone with this concern particularly with the rapidly rising cost of living in Jersey. Please allow an option for families to continue filing joint returns and protect our family units for the generations to come.

Although the proposal would most likely result in more revenue for the state, it will come at a heavy cost and will definitely be damaging to our family and society at large.

Anonymous 20

I am writing as a concerned tax resident about the upcoming consideration of an individual taxation policy in Jersey. I am a full-time teacher and my wife is a home educator, caring for our 3 children while providing and nurturing their education.

We moved to the island 8 months ago and have been impressed by the benefits of a joint taxation system, and have experience with individual taxation from living in countries where this was done. Individual taxation would have a negative impact on families like ours, as is clear by some findings by Deputy Pinel that at least 7000 couples would be negatively affected by this decision. We are on a very tight budget here in Jersey, and with cost of living rising faster than employment income, this would be a blow too hard to handle.

We find ourselves worrying about the sustainability of raising our children in Jersey when thinking about the possibility of a lack of support for those who choose to live on one income.

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I feel that the work my wife does by being home with my children builds so significantly into their lives, that society will benefit greatly when they are grown up. In many ways, this idea is in line with putting children first, but there seems to be a resistance from government to support those of us choosing to educate our children at home, and this just adds to that burden.

I implore the committee to consider those families (and there are many) who rely on one income to support their children. 7100 couples is not insignificant. With the current tax system, one can opt into individual taxation. Is that not enough? It makes so much more sense to keep couples' tax matters linked unless they want it otherwise.

Anonymous 21

Dear Senator Moore,

Further to my telephone conversation with you on Saturday 28th August 2021 with regard to the new Income Tax Proposals for Independent Taxation. I must apologise as I had not seen the article in the Jersey Evening Post on the 26th August 2021 with reference to the Compensatory allowance.

My husband and I will be one of the 7100 couples who will be negatively impacted by the changes. We are in the bracket of marriage/civil partnership born before 1952. My husband is 77 and I am 72 and I was advised by Social Security at the time of our marriage in 1973 to go on married women's and not pay Social Security Stamp. I will not go into our Personal details but our Income is just below the example.

Example:

Current Tax System 2021

Pension income Part Jersey/Part English Plus States Employees Pension	all pensions husbands	30,000.00
Wife's earnings as stated by Income Tax that all pension is husbands even when money is paid into her bank account and husband cannot access		0.00
		30,000.00
marginal rate tax calculation minus 26,100.00 married/civil partnership born before 1952		
£ 3,900.00 tax payable @26% on £3,900 =£1,014		

New Tax System for Individual Tax

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Husband income as above 30,000.00
less Single Person Tax Allowance minus 16,000.00

This is taxed as 20% not 26% as previously 14,000.00

tax payable on £14,000.00 @20% will be £2,800

Therefore a married man wife no Income would have a Single Person Allowance of £16,000 and pay tax of 20% on £14,000= 2,800.00

before changing to Individual Tax System as a married man with Marginal rate Tax Allowance of £26,100 and paying tax @ 26% on £3,900= minus 1,014.00

Now paying more tax in the sum of 1,786.00

So these new changes will go from a married couple with a wife No Earnings born before 1952 with previous allowance of £26,100 down to a Single Person Allowance of £16,000 This is a reduction of £10,100

With New Tax changes the wife cannot claim any allowance as she has no income.

So these changes to Individual Tax are benefiting people that earn two incomes as they can claim £16,000 EACH in allowances and single earning couples can still only claim one amount of £16,000.

Will the Scrutiny Panel ensure that before any debate The Compensatory allowance mentioned by Deputy Susie Pinel will be made Public. I fail to understand how any one can put forward proposals without any substantiation

These issues need to be addressed before the Debate and Voting go ahead on the 14th September 2021. If I am incorrect in my assumptions my apologies but if I am not I would appreciate the issues being looked into.

Surely there is something wrong in a system that penalises Low Earners in this way and makes them pay more tax therefore reducing their income.