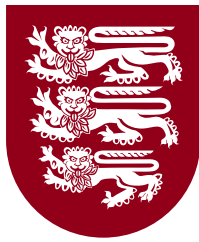


STATES OF JERSEY



Jersey

DRAFT INCOME TAX (AMENDMENT – STAGE 2 OF INDEPENDENT TAXATION) (JERSEY) LAW 202- (P.6/2024): AMENDMENT

**Lodged au Greffe on 13th February 2024
by Deputy L.M.C. Doublet of St. Saviour
Earliest date for debate: 27th February 2024**

STATES GREFFE

DRAFT INCOME TAX (AMENDMENT – STAGE 2 OF INDEPENDENT TAXATION)
(JERSEY) LAW 202- (P.6/2024): AMENDMENT

PAGE 18, ARTICLE 3 –

Delete Article 3 and renumber the subsequent Articles and cross-references accordingly.

DEPUTY L.M.C. DOUBLET OF ST. SAVIOUR

REPORT

Removing Article 3 will remove the option for married or civil partnered couples to complete a joint tax form and thus make the proposals truly independent and CEDAW compliant.

Introduction

The creation of legislation to introduce independent taxation has been many years in the making. Many members who are new to the Assembly may not have been aware of the long journey we have taken to get to this point, and I hope to give some of that background in this report.

In 2018 the fact that a wife requires the consent of her husband to access her tax information was finally recognised as an issue by more than just a minority of Members who had been pushing for action for some time. The Minister at the time agreed to progress reform on this issue and worked collaboratively with backbenchers who had been campaigning for change. ([Calls for swift change to ‘laughable’ tax law backed - Jersey Evening Post](#))

The disregard of women as individuals when it came to taxation in Jersey was part of a wider issue in terms of women’s rights highlighted by women members of the Assembly. Five members from across the Assembly wrote to the Minister for Home Affairs in November 2021 calling for a cross-departmental strategy on preventing harassment and violence against women and girls. ([Minister’s “appalling” remarks spark call for action from “men in power” | Bailiwick Express Jersey](#))

Connétable Shenton-Stone followed this with an amendment to the Government Plan 2022-2025 asking for funding for public consultation on a number of issues to combat gender inequality. This work eventually resulted in the Violence Against Women and Girls Taskforce and their incredibly important report.

One of the most critical steps towards tackling VAWG has already been made by this Assembly in the form of the Draft Domestic Abuse (Jersey) Law (P.69/2022) – passed [unanimously](#). This was an important step towards protecting the (predominantly) women and girls who suffer domestic abuse.

A notable finding of the taskforce was that 57% of victim-survivors surveyed had experienced financial or economic abuse ([vawg taskforce summary report.pdf \(gov.je\)](#), p.14). Statistics from the UK suggest this may be even higher.

Allowing abusive partners the option to retain control of their victim’s finances through the use of joint tax forms will enable this abusive behaviour to be initiated or continued for potentially hundreds of women in Jersey.

This may sound unlikely, but the statistics (more below) speak for themselves and indeed the title of the VAWG report was chosen as ‘*It’s a Hidden Problem*’. It may be hard to acknowledge but this abuse is prevalent in our Island.

This Amendment seeks to realise the aim of the original work and legislation to reform the personal tax system – to ensure that every taxpayer on the Island was recognised as an individual through independent taxation and that women are empowered with complete freedom and autonomy over their tax affairs.

Vote on P.32/2023

The vote on Deputy Farnham’s proposition calling for the [Removal of Compulsory Independent Taxation for Existing Married Couples and Civil Partnerships](#) was very close – with the Assembly voting part (a) of the proposition down and part (b) passing by just one vote. Much of the discussion during the debate on Deputy Farnham’s proposition focused on the compensatory

allowance. This amendment is not about the issues around the compensatory allowance – is about the importance and impact of independent taxation on the women of Jersey.

New Legislation

The Minister for Treasury and Resources has now lodged the [Draft Income Tax \(Amendment – Stage 2 of the Independent Taxation\) \(Jersey\) Law 202-](#) (the “Draft Law”). If the revised proposals of the Draft Law are adopted by the States, all couples would move to Independent Taxation for the year of assessment 2026 onwards.

To provide some detail from the report to the Draft Law –

The default position would be that spouses and civil partners would each receive their own tax return from 2027, in respect of the 2026 year of assessment, unless they were eligible to elect – and had elected – to file jointly. Individuals would each receive their own tax assessments based only on their own income and allowances. ITIS Effective Rates and ‘payment on account’ notices would be calculated by reference only to their own income.

It is proposed that couples who were married, or in a civil partnership, and resident in Jersey prior to 1 January 2022 (“existing married couples”) would be able jointly to elect to file one joint tax return, either on paper or online. The election would need to be made by both spouses and would remain in place until it was revoked. Either spouse would be able to revoke the election without the other’s permission.

However – and for me, very importantly, the report to the new Draft Law, states –

Couples would need to nominate a ‘responsible spouse’

Not all marriages are abusive, of course – however I’m sure that all Members can make an educated guess as to who, in an abusive relationship, would be nominated as the ‘responsible spouse’. We would be naïve to think that victims of domestic abuse would feel empowered to reject or revoke their abusers access to and control of their tax information.

Domestic abuse

In 2023 there were 342 recorded incidents of Male-Female domestic crime in Jersey ([Domestic abuse statistics \(FOI\)](#), 4 January 2024). It is estimated that less than 24% of domestic abuse crime is reported to the police ([Domestic Abuse Statistics UK • NCDV](#)) which would suggest there are in fact 1,083 of these incidents that are hidden from us.

As quoted above, the report by the Taskforce on Violence Against Women and Girls found that over 57% of victim-survivors surveyed in Jersey had experienced financial or economic abuse ([vawg taskforce summary report.pdf \(gov.je\)](#), p.14). However, this figure is likely to be an underestimate – UK statistics show that “95% of cases of domestic abuse involve economic abuse.” ([What is economic abuse? - Surviving Economic Abuse](#))

“Economic abuse and financial abuse involve similar behaviours, but it can be helpful to think of financial abuse as a subcategory of economic abuse. Economic abuse encompasses the many ways that an abuser may control someone’s economic situation, including employment and housing, for example.”

([What is economic abuse? - Surviving Economic Abuse](#))

Many victims do not even realise they are victims of this type of abuse – such is the nature of coercive control, a feature of domestic abuse recognised in our new legislation. Appended to this report is a powerful speech made by former Deputy Perchard in 2022 who articulately outlined the nature of this type of abuse ([Hansard 28th April 2022](#))

Here are just two quotes from the VAWG Taskforce report that reflect the experience of women living with economic abuse:

“His control of all of our money was not seen at all.”

“He told me everything had to be in his name, he had complete control, the property, our bank accounts, my phone, the car, everything was in his name, he paid every bill, he would tell me to pay for everything on the credit card and then we would pay it off every month, he told me that’s how it was over here.”

([VAWG Taskforce Report.pdf \(gov.je\)](#), p.69)

Conclusion

“1 in 6 women in the UK has experienced economic abuse by a current or former partner.”

([What is economic abuse? - Surviving Economic Abuse](#))

Extrapolating that statistic for Jersey suggests that of the 44,128 women on the Island over the age of 16 years ([Report on the 2021 Jersey Census](#), p.18) some **7,354 will experience economic abuse in their lifetime**. Less frequently, but no less importantly, men can also be victims of domestic abuse, coercive control and economic abuse. Simply offering the option of joint taxation enables this type of abuse. An individual who is being abused and subjected to coercive control is highly unlikely to feel empowered to insist on separate tax forms – and indeed making attempts to do so may put them at risk of more serious physical abuse.

This amendment seeks to ensure that we do not give abusive partners any tools to financially control their victims.

Financial and staffing implications

As stated in the [Draft Income Tax \(Amendment – Stage 2 of Independent Taxation\) \(Jersey\) Law 202- \(gov.je\)](#) which this Amendment seeks to amend “It is estimated that the administrative costs of introducing Independent Taxation as now proposed are unlikely to exceed £3 million.” As this amendment would remove the need to administer and process the filing of joint tax returns it is expected that the administrative costs mentioned above would be slightly lower.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.

APPENDIX

Draft Domestic Abuse (Jersey) Law 202- (P.69/2022) – as amended (P.69/2022 Amd.)

Speech by Deputy J.H. Perchard ([Hansard, 28th April 2022.](#))

8.1.4 Deputy J.H. Perchard:

This is one of the most important laws we will pass and have ever passed in the Assembly. Coercive and controlling behaviour has been well-understood by very small pockets of society for a very long time, mostly victims and those supporting them. But many other people find it very hard to understand what that means. Organisations such as the Women’s Refuge have protected and supported women and children for many years. However, developing a wider understanding of coercion in society is an ongoing struggle, therefore, this is a very welcome step in the right direction. For me this is just the beginning of a journey. In addition to this law we also have to ensure that we have appropriate support for victims, we have better education, and ultimately prevention. Coercive control is incredibly difficult to understand if you have not experienced it and if you do not know someone who has experienced it. When you speak to victims of coercive control they may say things to you like: “It does not sound bad but it was the way it was said.” Or: “It does not sound bad but it was the way it happened” or they may not even themselves be able to articulate the behaviour successfully to you. That is something that will always be a struggle from a legal point of view in terms of proving coercive control and evidencing it and prosecuting people who exhibit that kind of behaviour over others. Because ultimately it will be a psychological crime; it is akin to a form of brainwashing if you will. I think people are often surprised by the kinds of people who are victims of coercive control, but actually anyone can be a victim of coercion. It is not about how intelligent you are or how well educated you are. It is not about your background, it is not about your age or experience or wisdom. It is about a particular relationship with another person who has actively decided to try to control your thoughts and your behaviour. Abusers who exercise coercion over others are highly skilled manipulators. That is something that is very difficult to understand if you are not manipulative yourself, nor have been a victim of such manipulation. That is very hard to hard to understand. I use an example on the T.V. (television) because it is much easier than talking about other people’s personal experiences, but if anyone has seen the documentary “Bad Vegan” it is a very powerful documentary demonstrating an extreme effect of a woman who is in a relationship that is coercive. This woman was an economics student, was a very successful business owner in New York, she opened up her own restaurant. It was her absolutely priority, she was there all day and all night. It was her love. Over a relatively short period of time she had met someone on a dating app, they seemed super charming, very charismatic, very normal, and over a very long period of time they slowly dated and then eventually had a relationship. Then over another relatively short period of time she very slowly became isolated from her friends and family, she withdrew slowly from the business, she had less financial control, and when you look at the whole arc of her journey in summary it is very difficult to understand how this bright, young thing with this huge ambition and business acumen ended up in financial ruin with no sense of self, completely malnourished, out of contact with her family, no control over her passport, credit cards or email accounts or phone. When you say that to somebody who is not aware of this as an issue they say: “Well why did she not just leave? Why did she not just take her phone back and say no?” It is not as simple as that because what happens is it is a slow, gradual decline in self-confidence and self-worth. It is a chipping away of your own confidence in your own autonomy and your ability to make decisions. It is powerful and it should be criminal, but it is very, very hard to prove. So what I would like to see following this, and I hope we unanimously back it today, is the understanding that we also need to proactively educate and proactively prevent because until we proactively and successfully prevent, coercion will always exist and I suspect sadly it will always

be very difficult to evidence. So what does that look like? Well it looks like providing adequate emotional support obviously. The victims of coercion are broken in a way that is, again, very hard to imagine yourself being in a state of that brokenness. It is very difficult to imagine not being able to choose basic things that you choose to do all the time every day. You think: "That would never happen to me. I am way too fierce." But it could, and the kind of emotional support required is, therefore, specialist and long term. You cannot just go: "I will have 6 sessions with a therapist and that will sort me out". That is not going to do it. So there has to be an acknowledgement that that support is required, and there will be a cost to that support. We also need to acknowledge that emotional support is absolutely not enough. Physical safety support is essential. Having a safe space to go and know that there is no time pressure on having to leave that safe space. The reason I say that is because almost all of the time in extreme cases of coercive control there is no financial autonomy of the victim and they walk away often with just the clothes on their back. Firstly, very few people get out of coercive relationship successfully. The return rate is very high. People leave and they go back and they leave and they go back. That is because the manipulator, the abuser, has developed a dependency. The person somehow has mustered the courage to go, which in itself is a huge feat, and they realise, when they have gone, they do not know who they are anymore: "Oh, and I do not have any money and I do not have a safe space to go and I need that person." It is almost like an addiction, push, pull, push, pull. So we have to acknowledge the complexity of the issue we are talking about. It is not the same as a physical fight and arresting someone for punching somebody else. It is nowhere near the same scale. Obviously I am talking about just an isolated incident of one person hitting another. Obviously sustained domestic violence is traumatising and in equal need of attention and support. But I wanted to draw attention to this coercion, because this psychological issue is hard to understand, it is incredibly complex. It needs different things to other kinds of crime and other kinds of abuse. That is fundamental to the success of any initiative directed towards it. We cannot just expect, and it would not be fair to expect, that this law will solve all that. It will not. What I would love to see in Jersey is something like the Freedom Programme. A lady called Pat was a probation officer in the U.K. for many, many years. This is all public information. She worked with male perpetrators of coercion and abuse and she spent a lot of time working with them. She realised that the cycle of this behaviour is not going to stop unless we intervene and educate. Because children who grow up in these relationships mimic that behaviour because that is what they learn. It is a pattern of behaviour and our children mimic what we do and how we treat each other. We also know that children who are children of abusers, studies have shown us that even from the age of less than one year-old, children who are in that environment already the chemical balance of their brain, their chemical building blocks, are different from other children. Their ability to regulate their own emotions is impacted from infancy by just being around that kind of behaviour. So of course those children are more at risk of copying that behaviour and not being able to regulate themselves. There is a whole cycle and pattern here that we need to break and fix. The Freedom Programme was designed and built by this lady, who was a probation officer, after spending many years working with perpetrators of this kind of crime. She works with women, girls, men and boys, to educate individuals on what they are doing, their own patterns of behaviour, to have insight about themselves. To self-reflect but also then to pull it apart and hopefully put them back together in a way that means they do not repeat that behaviour. Her success rate is so high, it is impressively high, which tells me that, without that, we do not have much hope of changing those statistics. So I know the Assembly will be behind this obviously and I hope that the Minister for Home Affairs is able to take some of what I have said and maybe feed it back into his department and we can see what we can do to fill the gaps. We have the law now, fantastic. This is the most important piece of legislation we will be passing, particularly for women and children, but also male sufferers of domestic abuse, in Jersey's history. It is a monumental moment and I am really proud to be here while it is happening. But I really hope we can plug the gaps with other things that are needed to make it successful.