

# STATES OF JERSEY



## **DRAFT BUDGET STATEMENT 2017 (P.109/2016): THIRD AMENDMENT (P.109/2016 Amd.(3)) – AMENDMENT**

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**Lodged au Greffe on 6th December 2016  
by the Minister for Treasury and Resources**

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**STATES GREFFE**

DRAFT BUDGET STATEMENT 2017 (P.109/2016): THIRD AMENDMENT  
(P.109/2016 Amd.(3)) – AMENDMENT

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In new paragraph (e) for the words “owner’s rates for residential properties” substitute the words “rates paid by the owner of a property under the Rates (Jersey) Law 2005”.

MINISTER FOR TREASURY AND RESOURCES

**Wording of the original amendment:**

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

*“(e) to agree in principle that from January 2018, owner’s rates for residential properties should no longer be a tax-deductible expense for landlords when calculating the income taxable under Schedule A and to direct the Minister for Treasury and Resources to bring forward the necessary changes to the Income Tax (Jersey) Law 1961 for consideration by the Assembly during 2017.”.*

**Wording of amendment amended**

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

*“(e) to agree in principle that from January 2018, rates paid by the owner of a property under the Rates (Jersey) Law 2005 ~~owner’s rates for residential properties~~ should no longer be a tax-deductible expense for landlords when calculating the income taxable under Schedule A and to direct the Minister for Treasury and Resources to bring forward the necessary changes to the Income Tax (Jersey) Law 1961 for consideration by the Assembly during 2017.”.*

## **REPORT**

Deputy S.Y. Mézec of St. Helier's amendment to the Budget proposes that residential landlords will, from the 2018 year of assessment onwards, be prevented from deducting the owner's rates paid when calculating their property income subject to income tax.

The Minister for Treasury and Resources is acutely aware that the Public would like to see a greater contribution to tax revenues from companies, and hence proposes that the restriction to residential properties contained in the Deputy's amendment is removed. The impact of this change is that landlords of commercial properties (which are commonly corporate landlords) will also be prevented from deducting the owner's rate when calculating their property income subject to income tax.

### **Financial and manpower implications**

It is estimated that this amendment, if the underlying amendment by Deputy Mézec is ultimately approved by the States, will raise additional tax revenues of £300,000 from Budget year 2019. There are no manpower implications arising from this amendment.