

Independent Taxation Legislation - Stage 2

Citizens Advice Jersey

22nd March 2024

Corporate Services Scrutiny Panel

Draft income Tax amendment -Stage 2 of Independent Taxation (Jersey Law) 202- (P.6/2024)

I write in response to your letter dated 13th March 2024 requesting our views regarding the above proposition which is due to be debated in the States Assembly on Tuesday 16th April. I note that you also ask if the revised proposals alter the views expressed in our previous submission in respect of P.41/2023.

In terms of the revised proposition, albeit that all parties will be assessed independently from the tax year of 2026, in principle, we see no major problems in the proposal to allow couples who were married or in a civil partnership since 2022, to submit a joint tax return if desired, if they currently could complete one tax return.

The proposition allows flexibility and choice for eligible couples so that if one person in the couple is more comfortable with the tax return process or if the one individual is dependant on the other for this task, then the practice can continue as it may well have been the case for many years.

In our previous submission, last year, in respect of P.41/2023, we did flag up the issue that the introduction of independent taxation would likely lead to an increase in demand for our charity as we expected that it would lead to a significantly higher demand for help to complete tax returns from islanders who had so far relied on their spouses and civil partners to complete this task. However, if the proposals in P.6/2024 are approved the expected increase in demand for our services may not be as high in 2026 as we previously expected if some couples decide to continue with one joint submission.

We note from other submissions that there are concerns about protection of individuals who may be controlled by their spouse or civil partner. This is understandable but we do feel that the proposals offer proportionate protections. Namely, it is proposed that both individuals in a couple need to elect to submit a joint tax return independently, presumably in some form of declaration. Also, it is proposed that the election can be withdrawn by either individual without the other 's permission.

Of course, any individual who feels pressured to agree to such an arrangement against his or her will can be encouraged to seek advice from agencies such as ours.

In terms of requests for submissions to scrutiny panels; short deadlines for submissions can create pressure on charities, such as ours. Inevitably, to achieve a submission deadline, other core work can suffer. Therefore, longer deadlines would be appreciated in future.

Kind regards,