

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES BY DEPUTY A.  
BRECKON OF ST. SAVIOUR**

**ANSWER TO BE TABLED ON TUESDAY 15th JULY 2008**

**Question**

In the 2007 Financial Report and Accounts (Creditors falling due within one year), Income Tax receipts in advance show £13,369,000 in 2006 and £22,847,000 in 2007 – could the Minister explain the reason for this increase of over £9 million?

**Answer**

Receipts in advance are largely payments made by ITIS payers (employed taxpayers) who are paying on a current year basis, i.e. they cannot be formally served with a Notice of Assessment to tax until the following year when their Income Tax Return is received. They are paying tax on a current year basis, as they earn their wages / salaries. The first year that this happened was 2006 and all 2006 'new taxpayers' that year paid their current year tax rather than the previous years tax. In 2007, both 2006 'new taxpayers' and 2007 'new taxpayers' paid their current year tax, hence the increase of over £9 million.

This was one of the planned benefits of ITIS, and the extra interest to the States from improved cash flow was built into the predicted yield from the Fiscal Strategy approved by the States.