

**WRITTEN QUESTION TO THE PRESIDENT OF THE
FINANCE AND ECONOMICS COMMITTEE
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 7th DECEMBER 2004

Question

Would the President inform members whether the Committee's own calculations support the conclusions set out in the figures produced by the Institute of Directors relating to the Committee's '20 per cent means 20 per cent' process which suggest that tax rate rises will be greater for the middle earners than for the highest earners, and if not, will he explain why?

Answer

No one has, as yet, provided a definition of what constitutes 'middle earners' and 'higher earners' but I can confirm that under the '20 per cent means 20 per cent' proposals higher earners will not only pay more in tax than middle earners but also a higher proportion of their incomes. The Deputy may be confused because mathematically the percentage increase for high earners could be lower, since they already start from a higher tax bill. However, the actual increases will indeed be higher.