



St Paul's Community Centre
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Foreword

I am the CEO of Citizens Advice Jersey, a position that I have held for the last 10 years.

I am pleased to respond to this review of the proposals contained in **P.119/2019** in relation to changes to the personal taxation system, in Jersey.

During the course of our work, we champion the rights of individuals and promote equality and justice for all.

This office is an advice centre for issues that relate to discrimination which are outside of the employment situation and we give advice to our clients in cases of alleged discrimination on all the protected characteristics under the umbrella of the **Discrimination (Jersey) law 2013** and the associated regulations.

We also regularly assist our clients with their personal tax affairs either by helping them to complete tax returns or offering assistance with personal finances and brokering agreements to repay tax arrears and set affordable and realistic ITIS rates.

The Proposals for Independent Taxation

Specific questions

- **How you expect the reforms to impact Jersey's taxpayers;**

The most significant downside is for married couples with joint income between £30K to £50K, particularly where there is only 1 earner or the 2nd earner does not earn enough to utilise their personal. This is a major concern potentially made worse by the fact that in certain circumstances higher earners appear to be better off under these proposals. Arguably, this is best dealt with by having 'grandfathering' provisions, for example, couples married before the introduction of the new legislation could continue to be treated under the old rules for a certain period of time.

Otherwise, there is little negative impact except that the administrative burden will be higher as there will be 2 tax returns per married couple to complete instead of 1.

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- **Whether the changes will have any social impacts (e.g. will children be worse off);**

The married couples affected could well have children and be claiming childcare relief. If their tax liability is higher it could affect their ability to pay their childcare costs which would be of concern.

Otherwise the proposals should have a very positive social impact for women on the Island who will be treated as individuals for the first time for Jersey tax purposes.

- **Whether you believe that the measures will successfully end the system's gender inequality;**

Yes – it should end gender inequality in Jersey's income tax system.

- **Whether the changes should come in stages or the whole system be reformed at once;**

The Introduction of an independent taxation system, where every taxpayer is treated as a separate unit should be the goal with the 'grandfathering' provisions being in place as mentioned earlier.

- **Whether you believe the current tranche of reforms could be improved.**

The objectives of keeping the tax system as simple and as fair as possible suggest the only way forward is to move completely to independent taxation. If it wasn't for the fact that married couples with joint income of less than £50K may be adversely affected, then an immediate move to independent taxation would seem the best alternative.

Some kind of 'grandfathering' provisions, would be welcomed, however, to assist these taxpayers for a while.

The 'household income' proposal should be completely dropped. Why change to a system that is very unusual by international standards. Most people will find it confusing as it is unfamiliar, and it is too easy to cheat and pretend you are a household unit.

General Comment

Some of our clients are extremely surprised to learn that they are not regarded as a separate person for tax purposes in Jersey. I believe that it is absolutely vital that this is changed.

Clients who have forgotten to tick the right box on tax returns have had Revenue Jersey refused to speak to the other party concerning a joint tax return, Issues like this are unacceptable in a modern society.



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