

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 4th APRIL 2006

Question

What consideration, if any, has the Minister given to changing the policy of freezing income tax exemptions and allowances whereby increased numbers of people are brought into tax, or see their tax bills raised through the process known as “fiscal drag”? In particular, what priority will he be giving to the results of the household expenditure survey in relation to Strategic Aim 3.6, reducing the numbers of children/pensioners living in relatively low income households?

Answer

The levels of Income Tax exemptions, like other parameters, are reviewed annually in the light of up-to-date information and will be the subject of debate in the Budget in December.

The results of the Household Expenditure Survey will be available in the summer, in plenty of time to inform any ongoing implications for the Budget. The data will be one of the many sources used to help develop social policy in the Island and to address the issue of those living on low incomes.