

This proposal has been on the cards for a long time and is a sensible idea in the medium to long term, although its introduction in the current economic climate surely has to be questioned due to the new debt that the States have been forced to take on due to the pandemic, and the delay in receiving tax under this proposal.

Those taxpayers who settle the tax in one lump sum will suffer a hit on their savings which could in turn delay their ability to put down a deposit if they are planning to buy property.

The more worrying aspect of the new Regulations is the long-term repayment plan extending up to a max of 20 years that will be made available if required.

As a regularly occurring monthly outgoing, the cost of servicing this will have to be taken into account by mortgage lenders and will have a detrimental impact on the maximum that they will be able to offer to a borrower.

The numbers involved are currently unknown although it is likely that the extended payment facility is more likely to be taken up by taxpayers in the lower income brackets who might not necessarily be eligible for a mortgage.