

2018.09.18

17 Deputy L.M.C. Doublet of the Minister for Treasury and Resources regarding measures to allow for married women to manage their own tax affairs: [OQ.109/2018]

Can the Minister advise Members what progress, if any, has been made towards amending the current position whereby married women are required to obtain the permission of their spouse in order to be able to discuss their taxes with the Taxes Office?

Deputy S.J. Pinel (The Minister for Treasury and Resources):

Members will know that the last Council of Ministers commissioned a review of personal income tax. I shall update the States Assembly on the work undertaken in this review, alongside the Budget later this year. I am pleased to inform States Members that consultation with Islanders on the future of the Island's personal tax system has already commenced, primarily through a series of focus groups. These focus groups have provided plenty of useful insights. These insights will be carried forwards into a public consultation. That will be released alongside the Budget, giving everyone a chance to comment on the future of the Island's personal income tax system. Thank you.

The Deputy Bailiff:

Are you able to assist with the actual question relating to married women obtaining permission, because that is the thrust of the question, Minister?

Deputy S.J. Pinel:

Married couples can already elect for separate assessment. This allows married women to have their own tax affairs, they receive their own tax assessment and have their own liability. Personal income tax is calculated as if they were a married couple and then the liability is split between the spouses. That is the current situation.

4.17.1 Deputy L.M.C. Doublet:

I think the problem is that women have to ask their husband's permission to have this separate assessment. I believe that there is a mechanism whereby same sex couples, who are not married, can indicate who is partner A and partner B for tax purposes. Is there not a quick short-term fix to this, whereby opposite sex married couples could use the same mechanism and indicate who is partner A and partner B for tax purposes? This would eliminate the inequality and not require any immediate changes to the system.

Deputy S.J. Pinel:

With tax, there is no quick fix. The current tax return includes the tick box where husbands can specifically consent to empower their wives to handle his tax affairs. Making wives jointly and severally liable for the tax debts of their husband is not a quick fix. It would require law changes, including consideration of human rights matters and I.T. (information technology) system changes.

4.17.2 Deputy G.P. Southern:

The question is, when are we likely to see such a change towards equality? Will it be year of assessment 2019, year of assessment 2020 or beyond?

Deputy S.J. Pinel:

It is better to complete the personal tax review and bring forward a more holistic and sustainable solution. The whole change of the system for taxing personal income cannot take place before 2021 at the earliest, as it is dependent upon the successful installation of our new revenue management

system, which remains on track to be tested in the Taxes Office during 2019 and on track to deliver online filing capabilities in 2020.

4.17.3 Deputy G.P. Southern:

Given that there was a commitment made almost 5 years ago now, I believe, to the bringing about of individual taxation. Does the Minister not consider that to have further delay based on getting the technology right is rather somewhat of a shame and a missed opportunity?

Deputy S.J. Pinel:

I think I have answered the question, inasmuch as I have already explained the dates. The review of the whole personal tax system after so many years without significant change is a huge task. The first phase of the review was reported in March 2017, providing a significant amount of information about how our current system impacts on typical Jersey households.

4.17.4 Deputy M. Tadier:

Does the Minister agree that any tax review should also include the social security and income support system? Does she accept that there is a discrepancy with the way income support is supplied? So an unmarried couple, for example, would be considered part of one household and the income of let us say a wealthy partner and a non-working or low-income partner that they will not be able to claim individually, whereas the equivalent does not exist in the tax system where an unmarried couple can opt to be treated like a married couple, potentially getting tax breaks which would occur from that. Is that something the Minister shares my concern about and that she will look into?

Deputy S.J. Pinel:

Absolutely. It is already being looked into. When the new tax system comes into effect it will include the data of the Social Security Department, so that the 2 can marry up. In future options there are 2 routes that can be followed: independent taxation, where everyone pays tax on their own income or household taxation, wherever couples which form a household will be assessed on the income of that household. Within these broad routes there are a number of different options which are being considered.

4.17.5 Deputy M. Tadier:

Does the Minister accept that there is also an arguable women's right issue here? In some cases, if not often, it might be the women who is the non-earner, although she may work as the homemaker, and she is unable to have an independent income, because income support will not recognise her lack of earnings, rather the joint income of the household. That needs to be taken into account as well, if we are to empower individuals and to emancipate them in some cases from what might become abusive relationships.

Deputy S.J. Pinel:

Yes, I quite agree with the situation, which is obviously being included in the tax review. This also requires law changes, as I have already stated, including the consideration of the human rights issues.

4.17.6 Deputy L.M.C. Doublet:

Does the Minister agree with me that this tick-box exercise that married women must rely on their husband to perform for them is quite simply degrading? If it can be remedied with giving opposite

sex couples the same mechanism as same sex couples, please could she task one of her officers to look into whether this would be possible in short order?

Deputy S.J. Pinel:

The office is already looking into this and with the law change required nothing can be done in short order.