

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY S.M. AHIER OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 8th OCTOBER 2019**

**Question**

Will the Minister advise the Assembly what the total additional tax revenue yield through investment in domestic compliance was for the years 2017, 2018 and 2019, and what it is forecast to be in 2020 and 2021, in comparison to the total investment for each year?

**Answer**

Additional forecasted revenues arising from Revenue Jersey's domestic compliance activities are largely made up of taxes not previously correctly declared.

Compliance activities before 2017 were relatively light. While data was not routinely reported, the Comptroller estimates that additional revenues from compliance activities was in the region of £1 million yearly in the years immediately preceding 2016.

Different approaches to compliance activities began to be tested in 2017; an investment in 2017 of £200,000 has focused specifically on testing corporate tax compliance. This has seen compliance yield increase (see table).

In preparation for increasing compliance activities, supported by a new legal framework (the Revenue Administration Law 2019), a Tax Disclosure Opportunity ("tax amnesty") operated in 2017. Around 200 taxpayers took advantage of that scheme.

The only additional investment in domestic tax compliance during the period 2015 to 2019 was the £200,000 mentioned above and approved by the Council of Ministers and Minister for Treasury and Resources in 2017.

During the same period, Jersey invested around £13 million to replace its 35-year old ITAX computer system and to modernise the tax administration (now Revenue Jersey) and key aspects of the administrative tax law.

This investment has now safeguarded the collection of tax revenues (currently over £700 million yearly) for the longer term; provided the capability to offer online-filing services; and to collect social-security contributions and other revenue streams in the longer run. It has also delivered over £1 million of cost savings from associated reductions in manual processes; computer-maintenance costs; and other measures.

An investment of around £1.6 million yearly is now proposed in the Government Plan from 2020 to improve tax compliance across Jersey's economy.

**Table : Additional Compliance Revenues 2016 to 2023**

	2016	2017	2018	2019	2020	2021	2022	2023	
	£ million (assessed)			£ million (forecast)					
Additional Compliance Revenue	<£3	£5.5	£6.8	£7	£7	£9.6	£11.9	£13	
Tax Disclosure Opportunity			£1.65						