**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 17th JUNE 2014**

Question

In response to question 3781 asked on the 13th May 2008 on the loss of tax receipts from International Business Companies (IBCs) and Exempt Companies due to the transition to the zero/ten tax regime the then Minister estimated losses of £11.7m by 2009 from zero rating Exempt Companies and a gradual reduction to a net loss of £16m from the 10% rate applied to IBCs by 2013, but stated that " it will only be in 2013 that the complete effect of zero/ten will be known". Is that effect now known and, if so, will he inform members what figure it is, and if it is not known, will he explain why?

Answer

I can confirm that Treasury and Resources are in a position to provide more detailed information than they were able to at the time of Deputy Southern's earlier question (3871) tabled on 13th May 2008. Accordingly;

Exempt Companies

The revenue receipts from Exempt Company fees for the year of assessment 2008 (the last year of the Exempt Company regime) were £11.0 million. Therefore the reduction of revenue from Exempt Companies following the introduction of zero/ten was in line with the projected estimate of £11.7 million.

International Business Companies

The income tax charged in respect of International Business Companies profits for the income tax years of assessment 2008, 2009, 2010 and 2011 (the last year of the International Business Company regime) are as follows:-

Year of Assessment	Income tax charged (£million)
2008	65.3
2009	25.5
2010	22.5
2011	24.1

As the Deputy will recall, it has been explained on numerous previous occasions that income tax receipts have fallen due to the effects of the financial crisis.

Since 2008 income tax forecasts have been revised downwards successively as the full scale of the crisis has emerged.

It would be wrong to state that the reduction in International Business Company revenue has been solely down to the introduction of zero/ten.