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27 January 2022

Dear Deputy Ahier

CORPORATE SERVICES SCRUTINY PANEL

REQUEST FOR VIEWS ON P.119/2021, DRAFT TAXATION (ENVELOPED PROPERTY TRASACTIONS (JERSEY) LAW 202- (THE “PROPOSITION”)

The Jersey Landlords’ Association (the “**JLA**”) would like to thank the Scrutiny Panel for their request for our views on the Proposition.

The JLA is an organisation which represents the interests of residential landlords in Jersey. We now have over 200 members, which comprise landlords and letting agents responsible for the provision of over 3,900 residential units of accommodation (including private rented accommodation and lodging houses).

We have reviewed the Proposition and would make the following comments.

1. Some of our members have raised general concerns with the institution of a new tax and the increases in the levels of taxation.
2. Whilst we understand the rationale for closing a potential loophole in the Island’s tax system, we wonder whether this may have the inadvertent effect of stifling much-needed development of brownfield and other development sites and investment in Jersey’s housing stock. We would suggest that to the extent that developers are currently using Jersey or other companies to envelop development sites as a tax efficient way of developing them for sale to homeowners in Jersey then the Proposition may potentially act as a disincentive for such development to occur and an alternative way of incentivising developers may need to be found.
3. We note that the implementation timetable is extremely (and surprisingly) fast. It appears from P.119 Add.(2) that the new duty will be implemented almost immediately after passing through the States Assembly (without passing through the Royal Assent and Registration stages). This seems very unusual for the implementation of an entirely new means of taxation.

Please do not hesitate to contact us if you require further input. Thank you for the opportunity to communicate our and our members’ view to you.

Yours sincerely

The Committee
Jersey Landlords’ Association