

5.6 Deputy G.P. Southern of the Minister for Treasury and Resources regarding the total income tax paid in 2009 by the finance sector at 10 per cent and utilities at 20 per cent:

Yes, I think I am still interested in the answer despite the events of this morning. Will the Minister state the total income tax paid in 2009 by the finance sector at 10 per cent and utilities at 20 per cent, and indicate the income anticipated in the accounts of the States for 2009 from income tax on deemed distributions from locally-owned non-finance companies and, if there was no income, could he explain why and state what equivalent figures have been budgeted for these items in 2010 and 2011?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

Very few companies in the finance sector, if any, paid at the 10 per cent rate in 2009 as, of course, the 10 per cent rate on the finance industry came into force for the year of assessment 2009 for tax paid in 2010. I can advise that the tax charge for 2009 year of assessment and liable to be paid in 2010 by companies in the finance sector at the 10 per cent rate was £50.4 million, and the tax charge on companies other than the 10 per cent rate for the year assessment 2009 and liable to be paid in 2010 was £13.5 million. Tax currently held over on appeal amounts to £2.4 million, so the actual tax yield is likely to be in the region of £62 million. The tax charge on utilities at the 20 per cent rate was £5.4 million. It is not possible to give an exact figure for the tax yield from deemed distributions from locally-owned non-finance companies but the statistics from the Tax Office indicates a likely yield in the region of £630,000 from deemed distributions from assessments raised in 2010 for the 2009 year of assessment. For 2011 onwards, only total shareholder income is forecast due to the difficulty of predicting individual elements. So, it is not possible to provide a breakdown to a greater level of detail.

5.6.1 Deputy G.P. Southern:

Is the Minister content that these extremely low figures of tax return from the various sectors suggest that the missing tax is in fact greater than the £90-100 million that was estimated in considering Zero/Ten?

Senator P.F.C. Ozouf:

I do not understand how the question relates, but no.