

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 8th SEPTEMBER 2020**

Question

Will the Minister provide members with the detailed calculation that underpins the estimated loss of £320 million in Income Tax that would arise from writing off the tax liability for 2019 of those Islanders transferred from payment on a prior-year basis to one on a current-year basis and will she state in particular over what time period this loss is deemed to occur?

Answer

The estimated 2019 prior-year basis (PYB) aggregate tax bill £320 million was originally based on the amount of income tax paid by PYB taxpayers for 2017 (£316 million) which is derived from data which can be found in the Tax Statistical Digest for Income Tax for year of assessment 2017 relating to income-tax receipts from PYB and data about the distribution of PYB and current-year basis taxpayers. The equivalent figure for the 2018 year of assessment is now estimated to be £326 million; and we currently estimate that the 2019 liability is now likely to be closer to £330m.

If the 2019 PYB tax bill was written off by the States Assembly, the loss would be immediate.