

STATES OF JERSEY



DRAFT INCOME TAX (AMENDMENT No. 39) (JERSEY) LAW 201- (P.113/2011): AMENDMENT (P.113/2011 Amd.) – COMMENTS

**Presented to the States on 18th July 2011
by the Council of Ministers**

STATES GREFFE

COMMENTS

NOTE: These comments relate to the amendments lodged by Deputy T.M. Pitman of St. Helier to both P.113/2011 and P.114/2011.

The Council of Ministers supports the comments of the Minister for Treasury and Resources. Ministers oppose these amendments on the grounds that Jersey's tax regime must be competitive in order for the Island to attract new wealthy residents.

The Council of Ministers strongly believes that Jersey must offer a competitive tax regime so that we are able to benefit, as we have done in the past, from the economic benefits derived from High Net Worth Individuals (HNWIs) relocating to the Island.

Ministers are very concerned that Deputy T. Pitman of St. Helier's amendments will be a barrier to attracting new wealthy residents to Jersey and will be damaging to the Island's prosperity. Increasing tax rates for HNWIs is meaningless if these individuals do not come to the Island in the first place; they will instead move to competing jurisdictions with more attractive packages for wealthy residents.

Ministers wish to emphasize that HNWIs invest considerably in the Island's economy, bringing huge benefits in terms of business, job and wealth creation. Any attempt to increase the tax rates imposed on HNWIs will not only make Jersey less competitive and less likely to attract wealthy residents, but it will also be extremely detrimental to the Island's economy.

The Council of Ministers urges States members to reject these amendments.

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

The Council of Ministers was unable to approve the comments before the deadline as a result of the States Sitting beginning on Monday 18th July.