

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 24th OCTOBER 2022
ANSWER TO BE TABLED ON MONDAY 31st OCTOBER 2022**

Question

Noting that GST de minimis will be lowered from £135 to £60 on the 1st July 2023, will the Minister –

- a) whilst outlining the inflation rate percentage used in calculations, provide the estimated amount to be collected from GST in each year between 2023 to 2026 at the existing £135 de minimis level and the proposed £60 level and the difference in revenue between these; and
- b) provide confirmation that this difference has been factored into the proposed Government Plan 2023 to 2026 budget and, if so, advise what inflation rate percentage was used in those calculations?

Answer

It is prudently estimated that the reduction of the GST de minimis level from £135 to £60 will generate additional GST revenues of approximately £1.1m per annum. The estimated revenue impact of this measure was prepared for Government Plan 2022 to 2025.

The following table outlines the estimated GST revenue over the period 2023-2026 with GST de minimis levels of £135 and £60.

GST de minimis level	Estimated GST revenue (£'000)			
	2023	2024	2025	2026
£135	107,100	109,530	111,430	113,200
£60	108,200	110,630	112,530	114,300

The impact of the reduction of the GST de minimis, and its subsequent postponement to 1 July 2023, has been factored into the proposed Government Plan 2023 to 2026 (please see page 27 for more detail).

The analysis on which these estimates are based uses historical Customs data on the value and volume of unaccompanied personal consignments. An explicit assumption on the rate of inflation has not been made.