

**DRAFT FINANCE (JERSEY) LAW 200-**

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**Lodged au Greffe on 19th November 2002  
by the Finance and Economics Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

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## **European Convention on Human Rights**

The President of the Finance and Economics Committee has made the following statement -

In the view of the Finance and Economics Committee the provisions of the Draft Finance (Jersey) Law 200- are compatible with the Convention Rights.

(Signed) **Senator F.H. Walker**

## **REPORT**

### **Statement of financial and manpower implications for the States**

The financial implications of this draft Law are self-explanatory and set out in the Budget Book. There are not expected to be any manpower implications from the introduction of Vehicle Registration Duty or the other changes referred to in the draft Law.

### **European Convention on Human Rights**

Article 16 of the Human Rights (Jersey) Law 2000 will, when brought into force by Act of the States, require the Committee in charge of a Projet de Loi to make a statement about the compatibility of the provisions of the Projet with the Convention rights (as defined by Article 1 of the Law). Although the Human Rights (Jersey) Law 2000 is not yet in force, on 19th November 2002 the Finance and Economics Committee made the following statement before Second Reading of this projet in the States Assembly -

In the view of the Finance and Economics Committee the provisions of the Draft Finance (Jersey) Law 200- are compatible with the Convention Rights.

## **Explanatory Note**

### *Part 1 - Interpretive material*

*Article 1* is the interpretation provision.

### *Part 2 - Income tax*

*Article 2* prescribes the rate of income tax for 2003 as 20 pence in the pound.

### *Part 3 - Excise duty*

*Article 3* amends Article 38 of the Customs and Excise (Jersey) Law 1999 so as to impose excise duty on the owner of a motor vehicle when the vehicle is required to be registered under Article 4 of the Vehicle Registration (Jersey) Law 1993. Entry has to be made at the time the vehicle is registered and in such form and manner as the Agent of the Impôts may direct. Definitions of “motor vehicle” and “owner” in relation to a motor vehicle subject to a hire purchase agreement are inserted in Article 1 of that Law. A new Article 40 is substituted so that the restriction on further processing after entry has been made is extended to cover alteration of any goods. The rate of excise duty applicable to motor vehicles is prescribed in a new paragraph 7 inserted in Part II of the First Schedule, alongside other duty rates. The Article is deemed to have come into force on 1st January 2003.

*Article 4* substitutes paragraphs 1-6 of Part II of the First Schedule to the 1999 Law so as to increase the rates of duty payable in respect of alcohol, tobacco and hydrocarbon oil. The Article is deemed to have come into force on 1st January 2003.

### *Part 4 - Stamp duty*

*Article 5* makes various amendments to Part I of the First Schedule to the Stamp Duties and Fees (Jersey) Law 1998. The effect is to increase the rate of stamp duty payable on certain immovable property transactions. The discounts available to first time buyers and borrowers are increased and are available in the case of property transactions up to £250,000 instead of £225,000 as previously. The duty payable on the re-registration of a judicial hypothec is reduced to a flat fee. The Article is deemed to have come into force on 1st January 2003.

### *Part 5 - Closing provision*

*Article 6* describes how the Law may be cited.

**FINANCE (JERSEY) LAW 200-**

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**ARRANGEMENT OF ARTICLES**

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*PART 1*

**INTERPRETIVE MATERIAL**

1. Interpretation

*PART 2*

**INCOME TAX**

2. Standard rate of income tax for 2003

*PART 3*

**EXCISE DUTY**

3. Introduction of Vehicle Registration Duty
4. Increase of duty on alcohol, tobacco and hydrocarbon oil

*PART 4*

**STAMP DUTY**

5. Variation in rates of stamp duty

*PART 5*

***CLOSING PROVISION***

6. Citation

**FINANCE (JERSEY) LAW 200-**

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**A LAW** to prescribe the standard rate of income tax for the year 2003; to amend further the Customs and Excise (Jersey) Law 1999 so as to introduce excise duty payable on the registration of motor vehicles and to increase excise duty on alcoholic beverages, tobacco and hydrocarbon oils; and to amend further the Stamp Duties and Fees (Jersey) Law 1998 so as to vary the rates of duty payable in respect of judicial hypothecs and certain immovable property transactions; and for connected purposes; sanctioned by Order of Her Majesty in Council of the

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*(Registered on the                      day of                      200-)*

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**STATES OF JERSEY**

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The                      day of                      200-

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**THE STATES**, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law -

*PART 1*

INTERPRETIVE MATERIAL

ARTICLE 1

**Interpretation**

- (1) In this Law “1999 Law” means the Customs and Excise (Jersey) Law 1999.<sup>[1]</sup>
- (2) A reference in this Law to a Part by number only, and without further identification, is a reference to the Part of that number in this Law.
- (3) Unless the context otherwise requires, a reference in this Law to an enactment is a reference to that enactment as amended from time to time, and includes a reference to that enactment as extended or applied under another enactment, including another provision of this Law.

*PART 2*

INCOME TAX

ARTICLE 2

**Standard rate of income tax for 2003**

There shall be levied and charged in the Island for the year 2003, in accordance with the Income Tax (Jersey) Law 1961,<sup>[2]</sup> income tax at the standard rate of twenty pence in the pound.

*PART 3*

EXCISE DUTY

ARTICLE 3

**Introduction of Vehicle Registration Duty**

(1) In Article 1 of the 1999 Law<sup>[3]</sup> -

(a) after the definition of “master” there shall be inserted the following definition -

“ ‘motor vehicle’ means any mechanically propelled vehicle intended or adapted for use on roads;” and

(b) for the definition of “owner” there shall be substituted the following definition -

“ ‘owner’ -

(a) in relation to ships, includes-

(i) where a ship is chartered by demise, the charterer under that charter by demise; or

(ii) where a ship is managed by agreement (other than a charter-party or contract of employment), either wholly or in part, by a person other than the owner, whether on behalf of the owner or otherwise, that person;

(b) in relation to aircraft, includes the operator or any other person to whom the aircraft is leased or chartered by demise; and

(c) in relation to a motor vehicle subject to a hire purchase agreement, means the person in possession of the motor vehicle under that agreement.”.

(2) In Article 38 of the 1999 Law<sup>[4]</sup> -

(a) in paragraph (2) for the words “Excise duty” there shall be substituted the words “Subject to paragraph (3) excise duty”; and

(b) after paragraph (2) there shall be added the following paragraph-

“(3) In the case of a motor vehicle, excise duty shall be payable by the owner when the vehicle is required to be registered under Article 4 of the Motor Vehicle Registration (Jersey) Law 1993<sup>[5]</sup> and entry shall be made in respect of the vehicle at the time it is so registered in such form and manner as the Agent of the Impôts may direct.”.

(3) For Article 40 of the 1999 Law<sup>[6]</sup> there shall be substituted the following Article -

#### “ARTICLE 40

##### **Alteration of goods after entry has been made**

(1) Subject to paragraph (2), after entry has been made in accordance with this Law, no person shall carry out any operation on or make any alteration to any goods on which excise duty is payable that would have resulted in a greater amount of duty being payable had such operation or alteration taken place at the time it became payable unless -

(a) the Agent of the Impôts has given his consent; and

(b) the additional duty is accounted for to the satisfaction of the Agent of the Impôts.

(2) This Article shall not apply where any liquor is mixed with any other liquid immediately prior to consumption.”.

(4) After paragraph 6 of Part II of the First Schedule to the 1999 Law<sup>[7]</sup> there shall be added the following paragraph -

##### **“Vehicle Registration Duty**

7. There shall be charged on all motor vehicles required to be registered under Article 4 of the Motor Vehicle Registration (Jersey) Law 1993<sup>[8]</sup> excise duty at the following rates -

<i>Cylinder capacity of engine of motor vehicle</i>	<i>Rate of duty</i>
Less than 126 cubic centimetres	£25
126-500 cubic centimetres	£50
501-1000 cubic centimetres	£100
1001-1400 cubic centimetres	£300
1401-1800 cubic centimetres	£500
1801-2000 cubic centimetres	£750
2001-2500 cubic centimetres	£1,000
2501-3000 cubic centimetres	£1,500
3001-3500 cubic centimetres	£2,000
More than 3500 cubic centimetres	£2,500”.

(5) This Article shall be deemed to have come into force on 1st January 2003.

#### ARTICLE 4

#### **Increase of duty on alcohol, tobacco and hydrocarbon oil**

(1) For paragraphs 1 to 6 of Part II of the First Schedule to the Customs and Excise (Jersey) Law 1999,<sup>[9]</sup> as amended,<sup>[10]</sup> there shall be substituted the following paragraphs -

#### **“Spirits**

1. There shall be charged on all spirits imported into or distilled or produced in the Bailiwick excise duty at the rate of £19.23 per litre of alcohol.

#### **Wines**

2. There shall be charged on all wines imported into or produced or manufactured in the Bailiwick excise duty at the following rates -

<i>Strength of wines</i>	<i>Rate per hectolitre</i>
Wines exceeding 1.2 per cent volume but not exceeding 5.5 per cent volume	£46.81
Wines exceeding 5.5 per cent volume but not exceeding 15 per cent volume	£122.87
Wines exceeding 15 per cent volume but not exceeding 22 per cent volume	£150.57



*Rate per litre of alcohol*

Wines exceeding 22 per cent  
volume £19.23.

**Beer**

3. There shall be charged -

- (a) on all beer produced by a small independent brewer which is imported into or manufactured in the Bailiwick excise duty at the rate of -
  - (i) £33.20 per hectolitre of beer not exceeding 4.9 per cent volume; and
  - (ii) £51.17 per hectolitre of beer exceeding 4.9 per cent volume; and
- (b) on all other beer imported into or manufactured in the Bailiwick excise duty at the rate of -
  - (i) £37.81 per hectolitre of beer not exceeding 4.9 per cent volume; and
  - (ii) £56.87 per hectolitre of beer exceeding 4.9 per cent volume.

**Other alcoholic beverages**

4. There shall be charged on the following alcoholic beverages imported into or produced in the Bailiwick the following rates of duty -

- (a) cider not exceeding 4.9  
per cent volume £37.81 per hectolitre
- (b) any other cider £56.87 per hectolitre
- (c) any alcoholic beverage  
other than wines, beer  
or cider exceeding 1.2  
per cent volume but not  
exceeding 5.5 per cent  
volume £46.81 per hectolitre.

**Tobacco**

5. There shall be charged on all tobacco imported into or grown, produced or manufactured in the Bailiwick excise duty at the following rate -

- (a) on unprocessed tobacco £102.12 per kilogramme
- (b) on cigars £110.49 per kilogramme
- (c) on cigarettes £138.18 per kilogramme
- (d) on hand-rolling tobacco £117.44 per kilogramme
- (e) on other types of  
processed tobacco not  
included in paragraphs  
(b) to (d) £106.94 per kilogramme.

**Hydrocarbon oil**

6.-(1) There shall be charged on hydrocarbon oil imported or delivered into or produced in the Bailiwick excise duty at the following rate -

- (a) on higher octane ultra low sulphur petrol £33.20 per hectolitre
- (b) on all other ultra low sulphur petrol £31.70 per hectolitre
- (c) on ultra low sulphur diesel £31.70 per hectolitre
- (d) on all other types of hydrocarbon oil £34.70 per hectolitre.

(2) For the purposes of this paragraph -

- (a) petrol is 'higher octane' if its research octane number is not less than 96 and its motor octane number is not less than 86;
- (b) 'ultra low sulphur petrol' means unleaded petrol the sulphur content of which does not exceed 0.005% by weight;
- (c) 'ultra low sulphur diesel' means gas oil the sulphur content of which does not exceed 0.005% by weight.”.

(2) This Article shall be deemed to have come into force on 1st January 2003.

#### *PART 4*

#### STAMP DUTY

#### ARTICLE 5

#### **Variations in rates of stamp duty**

(1) This Article amends Part 1 of the First Schedule to the Stamp Duties and Fees (Jersey) Law 1998, <sup>[11]</sup> and references in this Article to an item or column are to the item or column of that description in that Part.

(2) In item 1 (ACKNOWLEDGEMENT OF DEBT ON “TABLE” OR “AU GREFFE”), for sub-paragraph (a) in the first column, there shall be substituted the following sub-paragraph -

“(a) Where the borrowing relates to a contract of purchase falling to be charged under sub-paragraph (b) of item 13 of this Part of this Schedule where the gross value of the property or, where the dwelling has not been constructed, the notional gross value of the property once the dwelling has been constructed, calculated on the basis of market values obtaining at the time of sale -

- (i) does not exceed £150,000
- (ii) exceeds £150,000 but does not exceed £175,000
- (iii) exceeds £175,000 but does not exceed £200,000
- (iv) exceeds £200,000 but does not exceed £250,000”.

(3) At the end of item 1 (ACKNOWLEDGEMENT OF DEBT ON “TABLE” OR “AU GREFFE”) there shall be inserted the following proviso applicable to that item -

“Provided that where the Greffier is satisfied that the document is a renewal or further renewal of a judicial hypothec on which stamp duty has been paid, the total fee payable -

- (i) under sub-paragraph (a) or (c) of this item shall be £50; and

(ii) under sub-paragraph (b) of this item shall be £5.”.

(4) In item 13 (CONTRACTS), in sub-paragraph (a) and the entries relating to it -

(a) in the entry in the second column opposite clause (ii), for the amount “£1.00” there shall be substituted the amount “£1.25”;

(b) at the end of clause (iii) there shall be added the words “but does not exceed £500,000”;

(c) for the entry in the second column opposite clause (iii) there shall be substituted the following entry -

“£3,375 in respect of the first £300,000, plus £1.75 for each £100 or part of £100 in excess thereof”; and

(d) after clause (iii) and the entries relating to it there shall be inserted the following clause and entries -

“(iv) exceeds £500,000	£6,875 in respect of the first £500,000, plus £2.00 for each £100 or part of £100 in excess thereof	Contract	Greffier”.
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(5) In item 13 (CONTRACTS), in sub-paragraph (b) and the entries relating to it

(a) for clause (ii) and the entry in the second column relating to it there shall be substituted the following clause and entry -

“(ii) exceeds £150,000 but does not exceed £175,000	£62.50 in respect of the first £50,000 plus 25p for each £100 or part of £100 in excess thereof”;
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(b) for the entry in the second column opposite clause (iii) there shall be substituted the following entry -

“£125 in respect of the first £50,000, plus 50p for each £100 or part of £100 in excess thereof”;

(c) for clause (iv) and the entry in the second column relating to it there shall be substituted the following clause and entry -

“(iv) exceeds £200,000 but does not exceed £250,000	£187.50 in respect of the first £50,000, plus 75p for each £100 or part of £100 in excess thereof”.
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(6) In item 13 (CONTRACTS), in sub-paragraph (c) and the entries relating to it -

(a) in the entry in the second column opposite clause (ii) for the amount “£1.00” there shall be substituted the amount “£1.25”;

(b) at the end of clause (iii) there shall be added the words “but does not exceed £500,000”;

(c) for the entry in the second column opposite clause (iii) there shall be substituted the following entry -

“£3,375 in respect of the first £300,000, plus £1.75 for each £100 or part of £100 in excess thereof”; and

(d) after clause (iii) and the entries relating to it there shall be inserted the following clause and entries -

“(iv) exceeds £500,000	£6,875 in respect of the first £500,000, plus	Contract	Greffier”.
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	£2.00 for each £100 or part of £100 in excess thereof		
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(7) In item 13 (CONTRACTS), for subparagraph (d) in the first column, there shall be substituted the following sub-paragraph -

“(d) Of creation of ‘rente nouvelle’ or of a simple conventional hypothec or hypothecs in association with a contract of purchase falling to be charged under sub-paragraph (b) of this item where the gross value of the property or, where the dwelling has not been constructed, the notional gross value of the property once the dwelling has been constructed, calculated on the basis of market values obtaining at the time of sale -

- (i) does not exceed £150,000
- (ii) exceeds £150,000 but does not exceed £175,000
- (iii) exceeds £175,000 but does not exceed £200,000
- (iv) exceeds £200,000 but does not exceed £250,000”.

(8) In item 13 (CONTRACTS) in subparagraph (k) and the entries relating to it -

- (a) in the entry in the second column opposite clause (ii), for the amount “£1.00” there shall be substituted the amount “£1.25”;
- (b) at the end of clause (iii) there shall be added the words “but does not exceed £500,000”;
- (c) for the entry in the second column opposite clause (iii) there shall be substituted the following entry-  
“£3,375 in respect of the first £300,000, plus £1.75 for each £100 or part of £100 in excess thereof”; and
- (d) after clause (iii) there shall be inserted the following clause and entries -

“(iv) exceeds £500,000	£6,875 in respect of the first £500,000, plus £2.00 for each £100 or part of £100 in excess thereof	Contract	Greffier”.
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(9) In item 13 (CONTRACTS) in subparagraph (l) and the entries relating to it-

- (a) in the entry in the second column opposite clause (ii), for the amount “£1.00” there shall be substituted the amount “£1.25”;
- (b) at the end of clause (iii) there shall be added the words “but does not exceed £500,000”;
- (c) for the entry in the second column opposite clause (iii) there shall be substituted the following entry-  
“£3,375 in respect of the first £300,000 plus £1.75 for each £100 or part of £100 in excess thereof”; and
- (d) after clause (iii) and the entries relating to it there shall be inserted the following clause and entries -

“(iv) exceeds £500,000	£6,875 in respect of the first £500,000, plus £2.00 for each £100 or	Contract	Greffier”.
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	part of £100 in excess thereof		
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(10) In item 13 (CONTRACTS), in clause (iv) of sub-paragraph (n) for the amount “£225,000” there shall be substituted the amount “£250,000”.

(11) In item 13 (CONTRACTS), for sub-paragraph (o) there shall be substituted the following sub-paragraph -

“(o) Not otherwise provided for under this item -  (A) where the consideration stipulated in the contract -  (i) does not exceed £50,000	50p for each £100 or part of £100 with a minimum fee of £10.00	Contract	Greffier
(ii) exceeds £50,000 but does not exceed £300,000	£250 in respect of the first £50,000 plus £1.25 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iii) exceeds £300,000 but does not exceed £500,000	£3,375 in respect of the first £300,000, plus £1.75 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iv) exceeds £500,000	£6,875 in respect of the first £500,000 plus £2.00 for each £100 or part of £100 in excess thereof	Contract	Greffier
(B) Where no consideration is stipulated in the contract	£5.00 for each page of the contract, with a minimum fee of £10.00	Contract	Greffier”.

(12) This Article shall be deemed to have come into force on 1st January 2003.

*PART 5*

CLOSING PROVISION

ARTICLE 6

**Citation**

This Law may be cited as the Finance (Jersey) Law 200-.

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- [1] Volume 1999, page 537, Volume 2001, pages 11 and 146 and Volume 2002, page 429.
- [2] Volume 1961-1962, pages 197 and 443, Volume 1963-1965, pages 97, 143, 178, 189, 423 and 454, Volume 1966-1967, page 523, Volume 1968-1969, pages 38 and 219, Volume 1970-1972, pages 209, 305 and 382, Volume 1973-1974, page 275, Volume 1975-1978, pages 47, 148 and 257, Volume 1979-1981, pages 16, 157, 297 and 383, Volume 1982-1983, page 46, Volume 1984-1985, page 76, Volume 1986-1987, pages 192 and 208, Volume 1988-1989, pages 222 and 380, Volume 1990-1991, pages 96, 432 and 1088, Volume 1992-1993, pages 36 and 121, Volume 1994-1995, pages 220 and 366, Volume 1996-1997, pages 264, 643 and 652, Volume 1998, pages 3 and 259, Volume 1999, pages 209, 390, 403 and 418, Volume 2000, page 290 and Volume 2001, pages 123 and 145.
- [3] Volume 1999, page 545.
- [4] Volume 1999, page 579.
- [5] Volume 1992-1993, page 412.
- [6] Volume 1999, page 581.
- [7] Volume 1999, page 610 and Volume 2002, page 429.
- [8] Volume 1992-1993, page 412.
- [9] Volume 1999, page 610.
- [10] Volume 2002, page 429.
- [11] Volume 1998, page 113 and R&Os 9369 and 9441.