

2024.02.27.

13.8 Deputy G.P. Southern of the Minister for Treasury and Resources regarding a review of the High Value Residents taxation scheme (OQ.38/2024)

Let us see if we get as clear an answer to this. Will the Minister commit to reviewing the high-value residents taxation regime in the light of publications such as *The Myth of Millionaire Tax Flight: How Place Still Matters for the Rich* and the C.A.G.E. (Competitive Advantage in the Global Economy) working paper, *Taxation and Migration by the Super-Rich*, which contain research demonstrating clearly that jurisdictional taxation increases have little to no effect on where the super-rich choose to be resident and, if not, why not?

Deputy E. Millar of St. John, St. Lawrence and Trinity (The Minister for Treasury and Resources):

The high-value resident tax regime was last reviewed in autumn 2022. Changes to the fourth version of the regime came into force in January 2023. A fifth version of the regime came into force for new people coming to Jersey from July 2023. The Income Tax Law requires me to undertake the next review before the end of 2027 and I will ask officers to review the publications to which the Deputy refers to at that time. I would, however, point out that the whole rationale of our high-value regime is people coming here to Jersey so they have clearly made a choice to relocate, which does not quite stack up with the information which he is referring to.

13.8.1 Deputy G.P. Southern:

Does the Assistant Minister accept the statement made by these authors that peaks on their careers, people have family responsibilities, thousands of children who may be opposed to moving? They also have a loss of business and social contacts with prominent well-connected insiders where they live. There is no need for any mature person to move in order to respond to tax and that is what the overriding position is.

Deputy E. Millar:

I think the Deputy will find that while he has identified 2 pieces which support his argument, there are other pieces of research which say quite the reverse. As a matter of fact, we do have young people coming to the Island under the high-value regime with children and they do so for a number of reasons; tax may be part of that but they also come for economic and social and other benefits. It has been a feature of Jersey for very many years and I see no reason to discontinue it.