

STATES OF JERSEY



DRAFT BUDGET STATEMENT 2013 (P.102/2012): FIFTH AMENDMENT

**Lodged au Greffe on 5th December 2012
by the Minister for Treasury and Resources**

STATES GREFFE

PAGE 2, PARAGRAPH (a) –

After the words “as set out in the Budget Statement” insert the words –

“except that the estimate of income from taxation during 2013 shall be increased by £395,000 by increasing the proposed increases on tobacco duty from 10% to 13.2%.”.

MINISTER FOR TREASURY AND RESOURCES

Note: This amendment is being proposed by the Minister for Treasury and Resources less than 14 days before the start of the debate in accordance with the provisions of Standing Order 80A(3) which states –

“(3) Notwithstanding standing order 26, the Minister for Treasury and Resources may propose, without notice, an amendment to a draft budget or taxation draft.”.

Standing Order 80A(4)(b) provides that an amendment of this nature shall be debated “forthwith or at such other time or on such other day as the States decide”.

In accordance with the provisions of Standing Order 80A(4)(b), the Minister will seek the agreement of the States to debate this amendment during the debate on the Draft Budget Statement 2013.

REPORT

To compensate for the loss in revenue as a result of the fuel duty amendment proposed by Deputy G.C.L. Baudains of St. Clement being adopted by the States Assembly, the Minister for Treasury and Resources proposes an amendment to the increase in tobacco duty in the Draft Budget Statement 2013. It was proposed to increase tobacco duty by 10%. It is now proposed that tobacco duties should increase by 13.2%. The amendment would increase the duty on a packet of 20 cigarettes by 50p.

The financial implications of this amendment are that the increased revenue estimate of £1,239,000 duty on tobacco will increase to £1,634,000.

In proposing this amendment, the Minister has considered the fact that there seems to be a trend for passengers to import cigarettes in excess of their statutory allowances. The Minister has discussed this proposed increase with Officers from the Customs and Immigration Service and has been satisfied that the increase is not going to require them to allocate extra resources to this type of traffic. He has asked, however, that the Service continues to monitor this trend and report any significant change to the current situation.

The overall effect of this amendment and Deputy Baudains' amendment would be a decrease in impôts revenue from £55,574,000 to £54,534,000; and a decrease in Total States Income from £647,044,000 to £646,004,000, being a net reduction of £1,040,000.