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To: Scrutiny

Subject: Shadow Scrutiny Panel Review - Goods & Services Tax

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Dear Deputy Duhamel

1. So many people still do not understand why there has to be any changes - many assume the States have once again got it wrong.

Are we sure there is a need to make dramatic changes?

Can't we look at where the tax has been lost and try to get it back?

Foreign owned companies paying exempt tax £600 + foreign owned companies trading in the island (eg: Boots and Woolworths) = they look like they will not pay anything in future. Why not introduce a registration tax of £600 on all local companies that do not actually trade in the island and 20% tax on all companies that do trade in the island.

It is only fair that these companies, which have been used to paying a contribution towards the island, continue to do so.

And this proposal does not seek to differentiate between local and non-local ownership.

This strikes me as far easier to introduce than a Goods & Services Tax.

2. If a Goods & Services Tax must be introduced, is it not self defeating to apply it to essentials such that lower paid people have to get welfare - and a whole new raft of staff and procedures will be needed to administer an enhanced welfare scheme.

What about the cost of the extra tax office work and any attempts to tax incoming goods via mail order and internet.

Any tax will increase the cost of living and there is no guarantee it will do anything to help that in future - other than be a convenient means of raising even more taxation when necessary.

I would rather efforts be put into trying to reduce prices before increasing them (that is, seriously challenge prices in the shops as there is no question we pay more than we should - just compare us to Guernsey, the far north of Scotland, far west Ireland, all of whom have similar transport costs)

I have met very few people who like the idea of a Goods & Services Tax but most assume there is nothing that can be done about it as the States will once again just put it into place, whatever we may think or say.

John K Shield