

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY M. TADIER OF ST. BRELADE
ANSWER TO BE TABLED ON TUESDAY 14TH FEBRUARY 2017**

Question

What consideration, if any, has been given to exempting home-care agencies not operating under the Nursing and Residential Homes (Jersey) Law 1994 from charging G.S.T.; and will the Minister explain why such agencies are not currently exempted, whereas nursing homes and nursing agencies operating under the Law are exempt?

Answer

It is common practice for consumption taxes to exempt certain goods/services from the scope of the charge where it is considered in the public interest to do so. The supply of medical services is commonly exempted from consumption taxes under this approach (e.g. the EU requires all Member States to exempt the supply of medical services from VAT¹). The EU also requires all Member States to exempt the “services and goods closely linked to welfare and social security work (including those supplied by old people’s homes)” when supplied by “public bodies or other bodies recognised as being devoted to social wellbeing”. Jersey adopted a similar approach on the implementation of GST; exempting those supplies listed in Group 4 of Schedule 5 (medical and paramedical supplies) to the Goods and Services Tax (Jersey) Law 2007².

To ensure that this exemption is sufficiently restricted and unambiguous in its interpretation it applies only to supplies which meet the specified conditions. In particular in sub-paragraphs (d) and (e) the exemption is restricted to persons registered under either the Health Care (Registration) (Jersey) Law 1995 or the Nursing and Residential Homes (Jersey) Law 1994. Furthermore, in the context of sub-paragraph (d) the particular supply has to be made in the course of the practice of the relevant registrable occupation.

Group 4 of Schedule 5 does not give an exemption to all supplies made by agencies registered under the Nursing Agencies (Jersey) Law 1978; although a proportion of the supplies made by these agencies may be exempt if they fall within the scope of the exemption in sub-paragraph (d).

Personal care agencies (i.e. those that provide a range of social care – rather than medical care – from cooking and cleaning, through to assistance with washing, dressing, eating, taking medication etc.) are not required to register under any of the pieces of legislation outlined above; although the majority will fall under the Approved Provider Framework³. Crucially however these personal care agencies are not supplying medical services and hence are not within the scope of the exemption from GST.

The Treasury is aware of the activities being undertaken regarding the future regulation of care homes, care at home and adult day care under the Regulation of Care (Jersey) Law 2014. When the necessary regulations have been drafted the Treasury will give due consideration to whether the exemptions in Group 4 of Schedule 5 should be extended.

¹ See: http://ec.europa.eu/taxation_customs/business/vat/eu-vat-rules-topic/exemptions/exemptions-without-right-deduct_en

² Reproduced in Annex.

³ The Approved Provider Framework for Home Care and Outreach Short Break Services was introduced in 2014 to support the introduction of the Long Term Care Scheme. It applies minimum requirements and standards of safety and quality. In order to receive Long Term Care Benefit, claimants must use an Approved Provider.