

STATES OF JERSEY



Jersey

DRAFT FINANCE (2025 BUDGET) (JERSEY) LAW 202-

**Lodged au Greffe on 14th October 2024
by the Minister for Treasury and Resources
Earliest date for debate: 26th November 2024**

STATES GREFFE



Jersey

DRAFT FINANCE (2025 BUDGET) (JERSEY) LAW 202-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources, the provisions of the Draft Finance (2025 Budget) (Jersey) Law 202- are compatible with the Convention Rights.

Signed: **Deputy M.E. Millar of St. John, St. Lawrence and Trinity**
Minister for Treasury and Resources

Dated: 14th October 2024

REPORT

The Draft Finance (2025 Budget) (Jersey) Law 202- (the “2025 Finance Law”) gives effect to the revenue measures in the [Proposed Budget \(Government Plan\) 2025-2028 \(P.51/2024\)](#). It also provides for administrative and technical tax amendments, which are set out in Appendix 4 of the Budget. There is one change proposed in the 2025 Finance Law that was not included in the Budget 2025-2028, which is detailed towards the end of this report.

The 2025 Finance Law amends:

- the [Income Tax \(Jersey\) Law 1961](#) (the “Income Tax Law”)
- the [Customs and Excise \(Jersey\) Law 1999](#) (the “Customs Law”)
- the [Goods and Services Tax \(Jersey\) Law 2007](#) (the “GST Law”)
- the [Stamp Duties and Fees \(Jersey\) Law 1998](#) (the “Stamp Duty Law”)
- the [Taxation \(Land Transactions\) \(Jersey\) Law 2009](#) (the “Land Transaction Tax Law”).

The standard rate of income tax

1. Article 1 sets the standard rate of income tax for 2025 at 20%.

Personal tax allowances (Articles 9-14 & Article 18)

2. The income tax thresholds are ordinarily increased by the lower of June RPI and average earnings. Due to the earlier lodging of the Budget this year, personal income tax thresholds and allowances for 2025 are increased by 3.6%, in-line with the Fiscal Policy Panel’s forecast for June 2024 RPI.
3. The single persons’ threshold is increased to £20,700 while the married couples’ threshold is increased to £33,200. The second earners’ allowance is also uprated to £8,200 to maintain parity between two single earners and a married couple with two earners.
4. Child allowance is increased to £3,850 and the additional personal allowance is increased to £5,750.
5. Childcare tax relief is increased to £7,850 for children under 12 and £20,400 in respect of under-4s.

Group relief for inter-company property transactions (Articles 33-36)

6. Under the current Stamp Duty Law, property transactions between companies within the same corporate group attract the full charge in accordance with the property’s value. In recognition of the disincentive this provides to making corporate structures efficient, a group relief provision is introduced to allow these transactions to attract only a nominal fee.
7. For the purpose of this relief, a group is defined as a holding company and any company that it controls. Holding more than 75% of the shares, voting power or rights to the 75% of the profits and gains of a company is considered control.
8. To maintain parity, equivalent group relief provisions are inserted into the Land Transaction Tax Law.

Group relief for income tax (Articles 15-17)

9. Articles 123EA and 123F of the Income Tax Law allow companies in the same group to surrender losses to one another, provided all companies in the group are subject to the same rate of income tax.
10. The new Article 123F extends the current surrendering provisions to allow groups with a mixture of 0% and 10% companies to be eligible for group relief. Relief can still only be given between companies with the same tax rate. For example, a 0% company cannot surrender a loss to a 10% company.
11. This change is made to ease administration for groups.

Customs and excise duties (Articles 21-26)*Relief for small independent distillers of spirits*

12. The definition of small distiller is clarified to be based on a test of independence using the “connected person” definition in the Income Tax Law. The maximum level of production is raised from 10,000 litres of pure alcohol over five years to 40,000 litres every year (as measured by final product coming out of the still).
13. Previously, a 50% rate of relief was provided only to products from small distilleries that were produced without the use of spirits purchased from another distillery, such as neutral grain alcohol to produce distilled gin.
14. Article 22 creates two categories to distinguish between products that are distilled directly from fermented agricultural products by a single producer (primary distilled spirits) versus products that are made by distilling base spirits purchased from an external supplier (secondary distilled spirits). Primary distilled spirits are provided a rate of 50% of the full rate of duty and secondary distilled spirits are provided a new rate that is 75% of the full rate (that is, a 25% rate of relief).

Tobacco

15. Tobacco duties are increased above inflation in line with the Government’s health policy. Duty on cigarettes and rolling tobacco increases by 8.6% while duty on cigars increases by 11.6% to continue to bridge the current duty gap between cigars and other types of tobacco.

Vehicle Emissions Duty (VED)

16. The three highest VED bands for non-commercial vehicles are increased by 5%, 10% and 20% respectively. The commercial vehicle VED rates are uprated by 3.6% to maintain their real value; this does not include the rates for tractors.

Administrative and technical amendments*Income tax changes*

17. The Income Tax Law is amended to ensure that returns filed more than 3 months late by bodies of persons are liable to the £100 per month penalty, regardless of whether or not that body is incorporated.
18. It is clarified that losses for Schedule A rental income can only be carried forward against profits or gains in future years of assessment.
19. The provision that provided for a deduction from property income for expenditure on energy-saving items during the assessment years 2010 to 2012 is deleted as it is obsolete. Note that this deletion does not prevent similar provisions from being included in the Income Tax Law in the future.

20. The accounting fees that businesses pay can benefit both the business's operations and the owners and stakeholders personally. As it can be difficult to apportion fees that are "wholly and exclusively" for the purposes of trade, it has been practice to accept all accounting fees as permissible deductions. To provide certainty to businesses, this practice is legislated.
21. Following an amendment to the Government Plan 2024-27, which proposed a phased reduction in the 'small pot' pension limits, the maximum value of a pension pot that may qualify as a small pot pension is reduced from £15,000 to £10,000.
22. For employees moving to Jersey, relocation expenses relating to the removal of furniture, storage for 12 months and travel to Jersey that are paid by the employer are exempt as a benefit-in-kind. In addition, the first £7,500 of additional reasonable expenditure incurred that is paid by the employer is also an exempt benefit-in-kind. This was previously known as a "disturbance allowance"; this phrase is removed as it was undefined.

GST changes

23. The GST Law is clarified to ensure that GST can be collected on imports from unregistered taxable persons, specifically to deal with cases where the online retailer is uncooperative.
24. The DIY housebuilder provisions are amended to cap reclaimable expenditure on home construction at £1 million. This will limit the maximum GST refund to £50,000 per dwelling.
25. Following its exemption from income tax in the 2024 Finance Law, the Jersey Resolution Authority is exempted from GST. A minor change is made to ensure that the reference to the exemption from GST for the Jersey Overseas Aid Commission is correct.
26. The second-hand margin scheme, which allows GST to be calculated on the difference between the purchase and sale prices of a second-hand car, is extended to include second-hand bicycles.

Changes to other statutes

27. Following an omission from last year's Finance Law, stamp duty payable upon registering a will is increased to maintain parity with transactions charged under item 13. The increase is 0.5 percentage points for each band above £2 million.
28. Clarification is provided to ensure that entities liable to pay a fee under the [Goods and Services Tax \(International Services Entities\) \(Jersey\) Regulations 2008](#) are not charged twice.

Change not included in Budget 2025-2028

29. There is one provision in the 2025 Finance Law that was not announced in the Budget 2025-2028, which relates to the Commissioners of Appeal for Tax.
30. Provision is made for the Minister to appoint a Chair (and one or more Deputy Chairs) of the Commissioners of Appeal. The Chair and Deputy Chairs will be required to be legally qualified (although not necessarily qualified in Jersey). This approach mirrors the practice in most other tribunals.
31. The changes also allow for a bench of up to 14 Commissioners (increased from the current 12) from whom the Chair would be appointed. The term limit for a Chair will be the same as the term limits for all Commissioners, that is a term of 3 years which can be renewed twice (a total not exceeding 9 years).
32. For the purpose of hearing appeals, a Commission will be quorate if it consists of the Chair or one Deputy Chair, plus any 2 other Commissioners.

Commencement

33. The 2025 Finance Law will come into force on 1 January 2025, other than Articles 9, 10, 13, 14 and 18 that come into force immediately after the Independent Taxation Amendment Law.
34. The Minister will present an Acte Opératoire following the third reading of the 2025 Finance Law.

Financial and staffing implications

35. The financial and staffing implications of the 2025 Finance Law are identified in the draft Budget proposals in the proposed Budget 2025-2028.

Children's Right Impact Assessment

36. A Children's Right Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.

Human Rights

37. The notes on the human rights aspects of the draft Law in the **Appendix** have been prepared by the Law Officers' Department and are included for the information of States Members. They are not, and should not be taken as, legal advice.

APPENDIX TO REPORT**Human Rights Notes on the draft Finance (2025 Budget) (Jersey) Law 202-**

These Notes have been prepared in respect of the draft Finance (2025 Budget) (Jersey) Law 202- (the “draft Law”) by the Law Officers’ Department. They summarise the principal human rights issues arising from the contents of the draft Law and explain why, in the Law Officers’ opinion, the draft Law is compatible with the European Convention on Human Rights (“ECHR”).

These notes are included for the information of States Members. They are not, and should not be taken as, legal advice.

The draft Law sets the standard rate for income tax for 2025 and amends the Income Tax (Jersey) Law 1961 (“the ITL”), the Customs and Excise (Jersey) Law 1999 (“the CE Law”), the Goods and Services Tax (Jersey) Law 2007 (“the GST Law”), the Revenue Administration (Jersey) Law 2019 (“the RAL”), the Stamp Duties and Fees (Jersey) Law 1998 (“the Stamp Duties Law”), the Taxation (Land Transactions) (Jersey) Law 2009 (“the Land Transactions Law”), the Goods and Services Tax (Jersey) Law 2007 and the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008.

The draft Law engages Article 1 of the First Protocol to the ECHR (“A1P1”), which provides for the right to the peaceful enjoyment of property.

Revenue raising measures and economic regulation will in principle engage A1P1 and the draft Law does this in various ways principally by the setting of the rates for income tax, increasing excise duties and increasing stamp duty for wills of immoveable property worth more than £2 million.

A1P1 is however a qualified right, and the Protocol explicitly provides that the right does not in any way impair the right of the State to enforce such laws as it deems necessary to control the use for property in accordance with the general interest or to secure the payment of taxes or other contributions. Contracting States are given a wide margin of appreciation to determine what it considers in the public interest in this respect. Overall, the provisions are considered to achieve a fair balance and are therefore considered to be compliant with A1P1.

Overall, the draft Law is considered compliant with the provisions of the ECHR.

EXPLANATORY NOTE

The draft Finance (2025 Budget) (Jersey) Law 202- would, if passed, set the standard rate of income tax for 2025 and amend tax legislation for the purpose of implementing parts of the Budget (Government Plan) 2025-2028.

PART 1

Part 1 (Article 1) provides that income tax is charged for 2025 at the standard rate of 20 pence in the pound.

PART 2

Part 2 (Articles 2 to 20) amends the Income Tax (Jersey) Law 1961 (the “1961 Law”).

Article 2 provides that *Part 2* amends the 1961 Law.

Returns

Article 3 amends Article 17A of the 1961 Law, which provides the penalties for late deliveries of returns, so that it applies to all bodies of persons and not just bodies corporate and limited liability companies.

Provisions relating to Schedule A

Article 4 amends Article 52, which relates to deductions in respect of rents. The amendment substitutes a new paragraph (4) and (5) for the existing paragraph (4) to make it clear that when a deduction cannot be made in a year because there are insufficient profits and gains, the deduction is to be made in the next year in which it can be deducted (and not a past year).

Article 5 deletes Article 52A as it is no longer needed.

Article 6 inserts a new Article 52B to allow for the deduction of accounting fees.

Article 7 amends Article 54A, which relates to deductions in respect of property development etc., to add missing cross-references to Articles 70D and 70F.

Provisions relating to Schedule D

Article 8 inserts a new Article 70F to allow for the deduction of accounting fees.

Personal allowances and reliefs

Articles 9 to 14 increase personal allowances and reliefs in Part 12 of the 1961 Law. *Articles 13 and 14* also make corrections to Article 99 of and Schedule 7 to the 1961 Law. Articles 92A and 92B were substituted, and Article 99 and Schedule 7 inserted, by the Income Tax (Amendment – Stage 2 of Independent Taxation) (Jersey) Law 2024 (“the Independent Taxation Law”).

Special provisions as to bodies corporate and consequential amendments

Article 15 substitutes a new Article 123F to replace the existing Articles 123EA and 123F. This simplifies the provisions allowing a company to offset a loss against the profits of a company in the same group if those companies are either both non-financial services companies or both financial services companies. It removes the requirement that all the companies in the group are all non-financial services companies or all financial services companies.

Articles 16 and 17 make consequential amendments to Articles 123L and 123S.

Special provision as to individuals temporarily abroad

Article 18 amends Article 129AA of the 1961 Law (as substituted by the Independent Taxation Law), which makes provision for the apportionment of reliefs for people who become, or cease to be, ordinarily resident in Jersey in a year. The amendment increases the amount of relief and

makes a minor amendment to correct the reference to “qualifying income” so that it refers to “earned income”.

Special provision as to pensions

Article 19 amends Article 131CE to decrease the value of an approved Jersey pension scheme that can be commuted from £15,000 to £10,000.

Schedule 2 (Benefits: exemptions)

Article 20 amends paragraph 14 of Schedule 2 to clarify the position regarding the exemption of expenditure incurred in an employee’s move to and establishment in Jersey. This clarifies that in addition to actual, reasonable expenditure relating to the moving of furniture and vehicles, storage and travel, the first £7,500 of any other actual and reasonable expenditure can be left out of the account.

PART 3

Part 3 (Articles 21 to 26) amends the Customs and Excise (Jersey) Law 1999 (“the Customs and Excise Law”).

Article 21 provides that *Part 3* amends the Customs and Excise Law.

Excise duty: alcohol

Article 22 amends Article 1 to insert new definitions of “primary distilled spirits” and “secondary distilled spirits”. These definitions are relevant to the new excise duty rates, provided for in *Article 23*. This Article also amends the current definition of “small independent distiller”, replacing the condition of legal and economic independence from any other distiller with a condition that the distiller is not “connected” with another person who distils spirits. For this purpose, “connected” has the same meaning as it has in the 1961 Law. The definition of “independent distiller” is included in Article 1, and the test for determining whether the person is a “small independent distiller” is included in Schedule 1. This Article makes equivalent amendments to the definitions “small independent brewer” and “small independent cider-maker”.

Article 23 amends Schedule 1 to provide for 2 different rates of excise duty to be payable on spirits produced or manufactured by a small independent distiller. The Schedule includes a new definition of “small independent distiller”, altering the current production threshold so that an independent distiller is “small” if the total amount of alcohol contained in spirits produced or manufactured by the person in a year does not exceed 40,000 litres. The amended Schedule provides for excise duty to be charged on primary distilled spirits at the rate currently charged on spirits produced or manufactured by a small independent distiller (50% of the standard rate on spirits). It provides for excise duty to be charged on secondary distilled spirits at a slightly higher rate (75% of the standard rate on spirits). This Article also moves the existing production thresholds for “small independent brewers” and “small independent cider-makers” into Schedule 1.

Excise duty: tobacco

Article 24 substitutes the table in paragraph 6 of Part 2 of Schedule 1 to increase the rates of duty on tobacco.

Excise duty: vehicles

Article 25 substitutes the tables in paragraph 8 of Part 2 of Schedule 1 to increase duty for non-commercial motor vehicles with an established CO₂ mass emission figure of 151-175g, 176-200g or 201g or more and for a cylinder capacity of 2501-3000cc, 3001-3500cc and 3501cc or more.

Article 26 substitutes the tables in paragraph 8A of Part 2 of Schedule 1 to increase duty for commercial motor vehicles.

PART 4

Part 4 (Articles 27 to 29) amends the Goods and Services Tax (Jersey) Law 2007 (“the GST Law”).

Article 27 provides that *Part 4* amends the GST Law.

Article 28 amends Article 6(1A) of the GST Law to provide that Article 6(1)(b) does not apply to goods that are treated as supplied in Jersey and supplied by a taxable person if a GST invoice has been provided to the importer and the Comptroller has not issued a decision or notice that Article 6(1)(b) does still apply.

Article 29 amends Article 51 to provide that a refund of GST in relation to a DIY dwelling must not exceed £50,000 for each dwelling.

PART 5

Part 5 (Articles 30 to 32) amends the Revenue Administration (Jersey) Law 2019 (“the RAL”).

Article 30 provides that *Part 5* amends the RAL.

Article 31 substitutes a new Article 5 in the RAL. This increases the number of Commissioners of Appeal from 12 to 14. It also introduces an obligation on the Minister to appoint a Chair (and a power for the Minister to appoint Deputy Chairs) and provides that a Commission of Appeal is made up of 2 Commissioners and the Chair or a Deputy Chair.

Article 32 removes Article 8(2)(h), which relates to the sharing of revenue information for purposes connected with the preparation of the general estimate of the revenue of the States.

PART 6

Part 6 (Articles 33 to 35) amends the Stamp Duties and Fees (Jersey) Law 1998 (the “Stamp Duties Law”).

Article 33 provides that *Part 6* amends the Stamp Duties Law.

Articles 34 and 35 make amendments to allow for stamp duty to be £90 when property is exchanged between 2 companies in the same group. *Article 34* amends Article 1 of the Stamp Duties Law to define “group” in relation to companies and *Article 35* adds paragraph (ta) to item 13 to provide for the new rate of stamp duty. *Article 35* also item 46 of the table in paragraph 3 of the Schedule 1 to increase the rates of stamp duty for properties where the value of the transaction is over £2,000,000.

PART 7

Part 7 (Article 36) amends the Taxation (Land Transactions) (Jersey) Law 2009 to allow for the tax to be charged at £180 when property is exchanged between 2 companies in the same group.

PART 8

Part 8 (Articles 37 and 38) makes amendments to secondary legislation.

Article 37 amends the Goods and Services Tax (Jersey) Regulations 2007. The amendments add the Jersey Resolution Authority to the list in Regulation 6(3) of persons treated as the States for the purposes of Articles 20 and 53 of the GST Law (which relate to the treatment of the public sector). They also correct the reference to the Jersey Overseas Aid Commission in the same list. *Article 37* also amends Regulation 23 so that Regulations 25, 26 and 27 (which relate to second-hand goods) apply to pedal cycles and electric pedal cycles as well as motor vehicles. It also amends the title to Regulation 25 to refer to cycles as well as motor vehicles.

Article 38 amends Regulation 4 of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008 to ensure that the fee payable for listing international service entities is not paid twice in the case of entities holding a permit under sub-paragraphs (ca) or (fa).

PART 9

Part 9 (Article 39) gives the name of the Law and provides that it commences on 1 January 2025. The amendments in Articles 9, 10, 13, 14 and 18 come into force on 1 January 2025 immediately after the amendments to the 1961 Law made by the Independent Taxation Law.



Jersey

DRAFT FINANCE (2025 BUDGET) (JERSEY) LAW 202-

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Jersey

DRAFT FINANCE (2025 BUDGET) (JERSEY) LAW 202-

A LAW to set the standard rate of income tax for 2025 and to implement parts of the Budget (Government Plan) 2025-2028 by amending the [Income Tax \(Jersey\) Law 1961](#), the [Customs and Excise \(Jersey\) Law 1999](#), the [Goods and Services Tax \(Jersey\) Law 2007](#), the [Revenue Administration \(Jersey\) Law 2019](#), the [Stamp Duties and Fees \(Jersey\) Law 1998](#), the [Taxation \(Land Transactions\) \(Jersey\) Law 2009](#), and to make amendments to secondary legislation.

| | |
|--|------------------------------|
| <i>Adopted by the States</i> | <i>[date to be inserted]</i> |
| <i>Sanctioned by Order of His Majesty in Council</i> | <i>[date to be inserted]</i> |
| <i>Registered by the Royal Court</i> | <i>[date to be inserted]</i> |
| <i>Coming into force</i> | <i>[date to be inserted]</i> |

THE STATES, subject to the sanction of His Most Excellent Majesty in Council, have adopted the following Law –

PART 1

STANDARD RATE OF INCOME TAX SET FOR 2025

1 Standard rate of income tax for 2025

Income tax is levied and charged for the year 2025 at the standard rate of 20 pence in the pound, in accordance with and subject to the [Income Tax \(Jersey\) Law 1961](#).

PART 2

[INCOME TAX \(JERSEY\) LAW 1961](#) AMENDED

DIVISION 1 – INTRODUCTION

2 Amendment of the [Income Tax \(Jersey\) Law 1961](#)

This Part amends the [Income Tax \(Jersey\) Law 1961](#).

DIVISION 2 – RETURNS

3 Article 17A (penalty for late delivery of return) amended

In the following places in Article 17A for “body corporate or LLC” there is substituted “body of persons” –

- (a) paragraph (2B)(a) and (b);
- (b) paragraph (3)(a);
- (c) paragraph (4);
- (d) paragraph (4A)(a).

DIVISION 3 – PROVISIONS RELATING TO SCHEDULE A

4 Article 52 (deductions under Schedule A in respect of rents, etc.) amended

In Article 52 for paragraph (4) there is substituted –

- “(4) The deductions allowable under this Article must be made from the profits or gains chargeable for the year of assessment in which the payments are made.
- (5) But if the profits or gains chargeable for the year of assessment in which the payments are made are not sufficient to allow the whole of the deduction to be made, the amount that is not deducted is to be deducted from the profits and gains for the next year of assessment from which it can be deducted.”.

5 Article 52A (allowable deduction under Schedule A for energy-saving items) deleted

Article 52A is deleted.

6 Article 52B (deductions for accounting fees) inserted

After Article 52 there is inserted –

“52B Deductions for accounting fees

- (1) Despite any other provision in this Law, in computing the profits and gains to be taxed under Article 51(1)(a) there is allowed to be deducted as expenses an amount equal to the amount incurred on fees charged for accounting services.
- (2) The fees to which paragraph (1) apply must be attributed to the year in which they were paid.”.

7 Article 54A (deductions under Schedule A in respect of property development or quarrying, etc.) amended

In Article 54A after “Articles 70, 70A” there is inserted “, 70D, 70F”.

DIVISION 3 – PROVISIONS RELATING TO SCHEDULE D

8 Article 70F (deductions for accounting fees) inserted

After Article 70E there is inserted –

“70F Deductions for accounting fees

- (1) Despite Article 70, in computing the profits or gains to be charged in respect of a trade or profession under Schedule D there is allowed to be deducted as expenses an amount equal to the amount incurred on fees charged for accounting services.
- (2) The fees to which paragraph (1) apply must be attributed –
 - (a) to the accounting period for which they were incurred; or
 - (b) in the case of a trade or profession that has ceased trading, in the final accounts before the cessation of trading.”.

DIVISION 4 – PERSONAL ALLOWANCES AND RELIEFS

9 Article 92A (exemption from income tax for individuals whose income is not over the exemption threshold) amended

In Article 92A(2) in the definition “low income threshold” for “£20,000” there is substituted “£20,700”.

10 Article 92B (increase in exemption threshold for certain child care payments) amended

In Article 92B(8) –

- (a) in the definition “maximum increase” –
 - (i) in sub-paragraphs (a) and (b) for “£19,700” there is substituted “£20,400”,
 - (ii) in sub-paragraph (c) for “£7,600” there is substituted “£7,850”;
- (b) in the definition “qualifying income” in sub-paragraph (b)(ii) for “£5,550” there is substituted “£5,750”.

11 Article 95 (children) amended

In Article 95(1) and (4) for “£3,700” there is substituted “£3,850”.

12 Article 98A (additional allowance in respect of children) amended

In Article 98A(1A) for “£5,550” there is substituted “£5,750”.

13 Article 99 (increase in exemption threshold for certain spouses and civil partners) amended

In Article 99 –

- (a) in paragraph (2) in the formula for “32,050” there is substituted “33,200”;
- (b) in paragraph (2) in the entry relating to C –
 - (i) in clause (ii) for “qualifying income” there is substituted “earned income”,
 - (ii) in clause (iii) for “£7,950” there is substituted “£8,200”;
- (c) for paragraph (4) there is substituted –
 - “(4) In paragraph (1) “relevant income” has the meaning given in Article 92A(2).”.

14 Schedule 7 (savings and transitional provisions: taxation of certain married people and civil partners in 2025) amended

In Schedule 7 in paragraph 6 –

- (a) in sub-paragraph (2) –
 - (i) for “£32,050” there is substituted “£33,200”,
 - (ii) in clause (a)(i) for “£7,950” there is substituted “£8,200”;
- (b) after sub-paragraph (2) there is inserted –
 - “(2A) If this paragraph applies, for the purposes of determining if an individual is entitled to an increase under Article 92B –
 - (a) in addition to the individual satisfying the other conditions in Article 92B, the individual’s spouse or civil partner must have qualifying income; and
 - (b) whether the individual and their spouse or civil partner has qualifying income is determined –
 - (i) by applying the definition in Article 92B(8), and
 - (ii) by substituting “£8,200” for “£5,750” in sub-paragraph (b)(ii) of that definition.”.

DIVISION 5 – SPECIAL PROVISIONS AS TO BODIES CORPORATE AND CONSEQUENTIAL AMENDMENTS

15 Article 123EA (group relief for non-financial services companies) and Article 123F (group relief for financial services companies) substituted

For Articles 123EA and Article 123F there is substituted –

“123F Group relief for companies

- (1) This Article applies if a company that is a member of a group suffers a loss for a financial period (the “surrendering company”).
- (2) Another company that is a member of the same group (the “claimant company”) may apply for the relief described in paragraph (7) if –

- (a) both the surrendering company and the claimant company are a company to which Article 123C applies; or
 - (b) both the surrendering company and the claimant company are a company to which Article 123D applies.
- (3) The application must be –
- (a) made by the claimant company no later than 1 year after the end of the year of assessment in which the financial period for which the surrendering company suffered the loss; and
 - (b) accompanied by a declaration made by the surrendering company in accordance with paragraph (5).
- (4) In its application, the claimant company must state –
- (a) its financial period to which the application relates;
 - (b) its profits or gains for that period.
- (5) In its declaration, the surrendering company must state –
- (a) its financial period to which the application relates;
 - (b) its loss for that period;
 - (c) the amounts (if any) of the loss previously surrendered under this Article and to whom those amounts were surrendered.
- (6) The Comptroller must grant the relief if satisfied that, throughout the financial period for which the surrendering company suffered the loss –
- (a) both companies were members of the same group; and
 - (b) both companies were a company to which Article 123C applies or both companies were a company to which Article 123D applies.
- (7) The relief granted under this Article is the offset against the claimant company's profits or gains of as much of the surrendering company's loss that is surrendered to the claimant company.
- (8) If the claimant company's financial period is not the same as the surrendering company's, only the loss arising in the part of the surrendering company's financial period that overlaps with the claimant company's financial period can be surrendered.
- (9) The claimant company can offset against its profits or gains –
- (a) in respect of profits and gains that are chargeable to tax under Schedule A under Article 51(1)(b), only those losses of the surrendering company that arise from any activity the profits or gains of which would be chargeable to tax under Schedule A under Article 51(1)(b); and
 - (b) in respect of profits or gains that are chargeable to tax under Schedule A under Article 51(1)(c), only those losses of the surrendering company that arise from any activity the profits or gains of which would be chargeable to tax under Schedule A under Article 51(1)(c).
- (10) In this Article –
- “control”, in relation to a company (“controlled company”) means the power of 1 or more companies (“controlling company”) to secure that the affairs of the controlled company are conducted in accordance with the wishes of the controlling company by means of –
- (a) 1 or more of the following –

- (i) the holding, directly or indirectly, of more than 50% of shares (whether in the controlled company or another company),
 - (ii) the possession, directly or indirectly, of more than 50% of voting power in or in relation to the controlled company,
 - (iii) the holding, directly or indirectly, of more than 50% of powers conferred by the articles of association or other document regulating the controlled company or another company;
- (b) the right to more than 50% of the profits and gains of the company;
- “group” means a holding company and 1 or more of its subsidiaries and, for the purposes of this definition, a company (“company A”) is a subsidiary of another company (“company B”) if company B controls company A.
- “holding company” means a company that is not controlled by another company;
- “loss” of a company does not include any loss arising from any activity the profits or gains of which would be chargeable to tax under Schedule A under Article 51(1)(a);
- “profits or gains” of a company do not include profits or gains chargeable to tax under Schedule A under Article 51(1)(a).”.

16 Article 123L (computation of tax under Schedule D) amended

In Article 123L(7) for “Article 123EA” there is substituted “Article 123F”.

17 Article 123S (application of Article 123EA (group relief)) substituted

For Article 123S there is substituted –

“123S Application of Article 123F (group relief for companies)

Article 123F applies to a large corporate retailer with the following modifications –

- (a) a “group”, as defined in that Article, may consist of –
 - (i) only companies that are large corporate retailers, or
 - (ii) companies, 2 of more of which are large corporate retailers and 1 or more of which is a company to which Article 123C applies; and
- (b) the claimant company and surrendering company must each be a large corporate retailer.”.

DIVISION 6 – SPECIAL PROVISIONS AS TO INDIVIDUALS TEMPORARILY ABROAD

18 Article 129AA (apportionment of reliefs etc for individuals who become, or cease to be, ordinarily resident) amended

In Article 129AA(2A) –

- (a) in the formula for “32,050” there is substituted “33,200”;
- (b) in the entry relating to D –

- (i) in clause (ii) for “qualifying income (as defined in Article 99(4))” there is substituted “earned income”,
- (ii) in clause (iii) for “£7,950” there is substituted “£8,200”.

DIVISION 7 – SPECIAL PROVISIONS AS TO PENSIONS

19 Article 131CE (permitted commutation – trivial pension) amended

In Article 131CE(3) for “£15,000” there is substituted “£10,000”.

DIVISION 8 – SCHEDULE 2 (BENEFITS: EXEMPTIONS)

20 Schedule 2 (benefits: exemptions) amended

In Schedule 2 for the text of paragraph 14 there is substituted –

“In relation to an office holder or employee newly recruited or transferred to Jersey from a place outside Jersey, the following are to be left out of account –

- (a) the payment of the actual, reasonable expenditure incurred in the office holder’s or employee’s removal to and establishment in Jersey in respect of –
 - (i) the removal to Jersey of the household furniture and effects, including motor vehicles, of the office holder or employee and members of that person’s family and household,
 - (ii) storage, for no more than 12 months, of the household furniture and effects, including motor vehicles, of the office holder or employee and members of that person’s family and household, and
 - (iii) travel to Jersey, upon the office holder’s or employee’s recruitment or transfer, by the office holder or employee and by members of that person’s family and household; and
- (b) the first £7,500 of any other actual, reasonable expenditure incurred in the office holder’s or employee’s removal to and establishment in Jersey.”.

PART 3

CUSTOMS AND EXCISE (JERSEY) LAW 1999 AMENDED

DIVISION 1 – INTRODUCTION

21 Amendment of the Customs and Excise (Jersey) Law 1999

This Part amends the Customs and Excise (Jersey) Law 1999.

DIVISION 2 – EXCISE DUTY: SPIRITS

22 Article 1 (interpretation) amended

- (1) This Article amends Article 1.
- (2) After the definition “importer” there is inserted –
 - “independent brewer” means a person who –
 - (a) brews beer;
 - (b) is not connected with any other person who brews beer; and
 - (c) uses premises physically separate from those used by any other person to brew beer;
 - “independent cider-maker” means a person who –
 - (a) makes cider;
 - (b) is not connected with any other person who makes cider; and
 - (c) uses premises physically separate from those used by any other person to make cider;
 - “independent distiller” means a person who –
 - (a) distils spirits;
 - (b) is not connected with any other person who distils spirits; and
 - (c) uses premises physically separate from those used by any other person to distil spirits;”.
- (3) After the definition “commander” there is inserted –
 - “connected”, in the definitions “independent brewer”, “independent cider-maker” and “independent distiller”, has the same meaning as in the [Income Tax \(Jersey\) Law 1961](#) (see Article 3A of that Law);”.
- (4) After the definition “prescribed” there is inserted –
 - “primary distilled spirits” means spirits that are produced or manufactured by a person by distilling, with a still, fermented agricultural products (and not by distilling other spirits that are obtained but not produced by that person);”.
- (5) After the definition “proprietor” there is inserted –
 - “secondary distilled spirits” means spirits that are produced or manufactured by a person by distilling, with a still, other spirits that are obtained but not produced by that person;”.
- (6) For the definitions “small independent brewer”, “small independent cider-maker” and “small independent distiller of spirits” there is substituted –
 - “small independent brewer” is defined in paragraph 3 of Part 2 of Schedule 1;
 - “small independent cider-maker” is defined in paragraph 4 of Part 2 of Schedule 1;
 - “small independent distiller” is defined in paragraph 1 of Part 2 of Schedule 1;”.

23 Schedule 1 (excise duties) amended

- (1) This Article amends Part 2 of Schedule 1 (goods chargeable with excise duty and rates of duty).
- (2) In paragraph 1 (spirits and spirits-based drinks), for clause (a) there is substituted –
 - “(a) on all primary distilled spirits that are produced or manufactured by a small independent distiller and imported into or produced or manufactured in Jersey, excise duty at the rate of £22.75 per litre of alcohol;
 - (aa) on all secondary distilled spirits that are produced or manufactured by a small independent distiller and imported into or produced or manufactured in Jersey, excise duty at the rate of £34.10 per litre of alcohol;”.
- (3) The existing text of paragraph 1 (as amended by paragraph (2) of this Article) becomes sub-paragraph (1), and after that sub-paragraph there is inserted –
 - “(2) A person is a “small independent distiller” in relation to spirits produced or manufactured by the person (the “taxable spirits”) if –
 - (a) the person is an independent distiller; and
 - (b) the total amount of alcohol contained in spirits produced or manufactured by the person during the reference period does not exceed 40,000 litres.
 - (3) The “reference period”, in relation to taxable spirits, is the calendar year in which the spirits are produced or manufactured.”.
- (4) The existing text of paragraph 3 (beer) becomes sub-paragraph (1), and after that paragraph there is inserted –
 - “(2) A person is a “small independent brewer” in relation to beer produced or manufactured by the person (the “taxable beer”) if –
 - (a) the person is an independent brewer; and
 - (b) the total amount of beer produced or manufactured by the person during the reference period does not exceed 200,000 hectolitres.
 - (3) The “reference period”, in relation to taxable beer, is the calendar year in which the beer is produced or manufactured.”.
- (5) The existing text of paragraph 4 (cider) becomes sub-paragraph (1), and after that paragraph there is inserted –
 - “(2) A person is a “small independent cider-maker” in relation to cider produced or manufactured by the person (the “taxable cider”) if –
 - (a) the person is an independent cider-maker; and
 - (b) the total amount of cider produced or manufactured by the person during the reference period does not exceed 500,000 litres.
 - (3) The “reference period”, in relation to taxable cider, is the calendar year in which the cider is produced or manufactured.”.

DIVISION 3 – EXCISE DUTY: TOBACCO

24 Excise duty: tobacco

For the table in paragraph 6 of Part 2 of Schedule 1 there is substituted –

| “Type of tobacco | Rate of excise duty per kilogram (£) |
|---|---|
| (a) unprocessed tobacco | 669.30 |
| (b) cigars | 808.42 |
| (c) cigarettes | 876.72 |
| (d) hand-rolling tobacco | 876.72 |
| (e) processed tobacco other than types (b) to (d) | 697.46”. |

DIVISION 4 – EXCISE DUTY: VEHICLES

25 Excise duty: motor vehicles – general

In paragraph 8 of Part 2 of Schedule 1 –

(a) for the table in sub-paragraph (4) there is substituted –

| “Established CO₂ mass emission figure (g) | Rate for 2025 (£) |
|---|--------------------------|
| 0 | 0 |
| 1-50 | 35 |
| 51-75 | 73 |
| 76-100 | 240 |
| 101-125 | 422 |
| 126-150 | 715 |
| 151-175 | 1,435 |
| 176-200 | 4,620 |
| 201 or more | 9,524”; |

(b) for the table in sub-paragraph (5) there is substituted –

| “Cylinder capacity of engine (cm³) | Rate for 2025 (£) |
|--|--------------------------|
| 0 | 0 |
| 1-500 | 35 |
| 501-1400 | 291 |
| 1401-1800 | 567 |
| 1801-2000 | 814 |

| “Cylinder capacity of engine (cm³) | Rate for 2025 (£) |
|--|--------------------------|
| 2001-2500 | 1,290 |
| 2501-3000 | 2,231 |
| 3001-3500 | 4,620 |
| 3501 or more | 9,524”. |

26 Excise duty: motor vehicles – commercial vehicles

In paragraph 8A of Part 2 of Schedule 1 –

(a) for the table in sub-paragraph (2) there is substituted –

| “Established CO₂ mass emission figure (g) | Vehicle emissions duty for lower emission vehicle (£) | Vehicle emissions duty for vehicle that is not lower emission vehicle (£) |
|---|--|--|
| 0 | 0 | 0 |
| 1-50 | 0 | 0 |
| 51-75 | 0 | 56 |
| 76-100 | 0 | 167 |
| 101-125 | 56 | 278 |
| 126-150 | 167 | 445 |
| 151-175 | 278 | 834 |
| 176-200 | 445 | 1,390 |
| 201 or more | 834 | 2,001”; |

(b) for the table in sub-paragraph (3) there is substituted –

| “Cylinder capacity of engine (cm³) | Vehicle emissions duty for lower emission vehicle (£) | Vehicle emissions duty for vehicle that is not lower emission vehicle (£) |
|--|--|--|
| 0 | 0 | 0 |
| 1-500 | 0 | 0 |
| 501-1400 | 0 | 222 |
| 1401-1800 | 0 | 389 |
| 1801-2000 | 222 | 556 |
| 2001-2500 | 389 | 778 |
| 2501-3000 | 556 | 1,112 |
| 3001-3500 | 778 | 1,445 |
| 3501 or more | 1,112 | 2,001”. |

PART 4**GOODS AND SERVICES TAX (JERSEY) LAW 2007** AMENDED**27 Amendment of the Goods and Services Tax (Jersey) Law 2007**

This Part amends the Goods and Services Tax (Jersey) Law 2007.

28 Article 6 (charge to GST) amended

In Article 6 for paragraph (1A) there is substituted –

“(1A) Paragraph (1)(b) does not apply (and accordingly paragraph (1)(a) does apply) in relation to the importation of goods from outside Jersey if –

- (a) the goods are treated as supplied in Jersey by reason of Article 23(3)(a);
- (b) the supply of the goods is a taxable supply made by a taxable person;
- (c) the supplier has issued a GST invoice to the recipient; and
- (d) at the time the supply is made, the Comptroller has not issued a direction or notice under Article 98 stating that paragraph (1)(b) continues to apply to goods supplied by the taxable person.”.

29 Article 51 (refund of GST: DIY dwelling) amended

In Article 51 after paragraph (4) there is inserted –

“(5) A refund under this Article must not exceed £50,000 for each dwelling.”.

PART 5**REVENUE ADMINISTRATION (JERSEY) LAW 2019** AMENDED**30 Amendment of Revenue Administration (Jersey) Law 2019**

This Part amends the Revenue Administration (Jersey) Law 2019.

31 Article 5 (Commissioners of Appeal) substituted

For Article 5 there is substituted –

“5 Commission of Appeal and appointment of Commissioners of Appeal, Chair and Deputy Chair

- (1) The Minister must appoint up to 14 Commissioners of Appeal who –
 - (a) must be chosen from residents of Jersey with experience in financial matters; and
 - (b) must not be engaged in any trade, business or profession whose nature would cause their appointment to be objected to by competitors in similar trades, businesses or professions carried on in Jersey.

- (2) From the Commissioners of Appeal, the Minister must appoint a Chair and may appoint 1 or more Deputy Chairs.
- (3) The Chair and Deputy Chairs must hold a qualification in law equivalent to a degree or a post-graduate qualification.
- (4) An appointment made under paragraph (1) –
 - (a) must not be for a term exceeding 3 years; and
 - (b) can be renewed provided that the total aggregate period of appointment for an individual under 1 or more of those paragraphs does not exceed 9 years.
- (5) For the purpose of hearing appeals from decisions of the Comptroller under a Revenue Law, where provision for that appeal is made in that Law, a Commission of Appeal must be constituted, consisting of –
 - (a) the Chair or 1 Deputy Chair; and
 - (b) any 2 other Commissioners of Appeal.
- (6) A Commission of Appeal has the power to obtain expert advice in cases in which it considers it to be necessary for the purpose of making a determination, and the Minister must pay any expenses incurred.”.

32 Article 8 (general prohibition and exceptions) amended

Article 8(2)(h) is deleted.

PART 6

STAMP DUTIES AND FEES (JERSEY) LAW 1998 AMENDED

33 Amendment of the Stamp Duties and Fees (Jersey) Law 1998

This Part amends the Stamp Duties and Fees (Jersey) Law 1998.

34 Article 1 (interpretation) amended

In Article 1 –

- (a) after the definition “chargeable document” there is inserted –

““control”, in relation to a company (“controlled company”) means the power of 1 or more companies (“controlling company”) to secure that the affairs of the controlled company are conducted in accordance with the wishes of the controlling company by means of –

 - (a) 1 or more of the following –
 - (i) the holding, directly or indirectly, of 75% or more of shares (whether in the controlled company or another company),
 - (ii) the possession, directly or indirectly, of 75% or more of voting power in or in relation to the controlled company,
 - (iii) the holding, directly or indirectly, of 75% or more of powers conferred by the articles of association or other document regulating the controlled company or another company;

- (b) the right to 75% or more of the profits and gains of the company;”;
- (b) after the definition “gross value” there is inserted –
- “group” means a holding company and 1 or more of its subsidiaries and, for the purposes of this definition, a company (“company A”) is a subsidiary of another company (“company B”) if –
- (a) company B controls company A; or
- (b) company A is a subsidiary of a company that is itself a subsidiary of company B;
- “holding company” means a company that is not controlled by another company;”.

35 Schedule 1 (judicial fees) amended

- (1) This Article amends Schedule 1.
- (2) In item 13 of the table in paragraph 3 –
- (a) in paragraphs (a) and (l) for “or (t)” there is substituted “, (t) or (ta)”;
- (b) in paragraphs (o) and (p) for “rate F” there is substituted “£90”;
- (c) in paragraph (t) after “paragraph (a)” there is inserted “or (aa)”;
- (d) after paragraph (t) there is inserted –

| | | | | |
|-------|--|-----|----------|------------|
| “(ta) | Of sale within the terms of paragraph (a) or (l) of this item or of gift, resignation or cession within the terms of paragraph (c) of this item if the sale, gift, resignation or cession is between companies within the same group | £90 | Contract | Greffier”. |
|-------|--|-----|----------|------------|

- (3) In item 46 of the table in paragraph 3, in paragraph (1) for sub-paragraphs (h) to (j) there is substituted –

| | | | | |
|------|---|---|-------------|------------|
| “(h) | exceeds £2,000,000 but does not exceed £3,000,000 | £74,500 in respect of the first £2,000,000 plus £7.50 for each £100 or part of £100 in excess thereof | Application | Greffier |
| “(i) | exceeds £3,000,000 but does not exceed £6,000,000 | £149,500 in respect of the first £3,000,000 plus £10 for each £100 or part of £100 in excess thereof | Application | Greffier |
| “(j) | exceeds £6,000,000 | £449,500 in | Application | Greffier”. |

| | | | | |
|--|--|--|--|--|
| | | respect of the first £6,000,000 plus £11 for each £100 or part of £100 in excess thereof | | |
|--|--|--|--|--|

PART 7

TAXATION (LAND TRANSACTIONS) (JERSEY) LAW 2009

36 Schedule (value of transaction and rate of LTT applicable) amended

In the Schedule to the [Taxation \(Land Transactions\) \(Jersey\) Law 2009](#) after paragraph 9 there is inserted –

“9A Transactions between companies within same group

- (1) If a transaction described in Article 3(1)(a) or (b) is between companies within the same group, LTT is charged at the rate of £180.
- (2) For the purposes of this paragraph –

“control”, in relation to a company (“controlled company”) means the power of 1 or more companies (“controlling company”) to secure that the affairs of the controlled company are conducted in accordance with the wishes of the controlling company by means of –

 - (a) 1 or more of the following –
 - (i) the holding, directly or indirectly, of 75% or more of shares (whether in the controlled company or another company),
 - (ii) the possession, directly or indirectly, of 75% or more of voting power in or in relation to the controlled company,
 - (iii) the holding, directly or indirectly, of 75% or more of powers conferred by the articles of association or other document regulating the controlled company or another company;
 - (b) the right to 75% or more of the profits and gains of the company;

“group” means a holding company and 1 or more of its subsidiaries and, for the purposes of this definition, a company (“company A”) is a subsidiary of another company (“company B”) if –

 - (a) company B controls company A; or
 - (b) company A is a subsidiary of a company that is itself a subsidiary of company B;

“holding company” means a company that is not controlled by another company.”.

PART 8

AMENDMENTS TO SECONDARY LEGISLATION

37 Amendment of the [Goods and Services Tax \(Jersey\) Regulations 2007](#)

- (1) This Article amends the [Goods and Services Tax \(Jersey\) Regulations 2007](#).
- (2) In Regulation 6(3) –
 - (a) for sub-paragraph (d) there is substituted –
“(d) the Jersey Overseas Aid Commission;”.
 - (b) after sub-paragraph (e) there is inserted –
“(f) the Jersey Resolution Authority.”.
- (3) For Regulation 23(2) there is substituted –
 - (2) A reference in Regulation 24(4)(a) or (b) to goods is only to goods that are motor vehicles.
 - (3) A reference in Regulation 25, 26 or 27 to goods is only to goods that are –
 - (a) a motor vehicle;
 - (b) a pedal cycle as defined by Article 1(1) of the [Road Traffic \(Jersey\) Law 1956](#); or
 - (c) an electrically assisted pedal cycle as defined by Article 2 of the [Pedal Cycles \(Jersey\) Order 1998](#).”.
- (4) In the heading to Regulation 25 after “motor vehicles” there is inserted “and cycles”.

38 Amendment of the [Goods and Services Tax \(International Services Entities\) \(Jersey\) Regulations 2008](#)

In Regulation 4(1) (basis of fee) of the [Goods and Services Tax \(International Services Entities\) \(Jersey\) Regulations 2008](#) –

- (a) in sub-paragraph (d) after “under that Law as a managed manager” there is inserted “, but a fee is not payable if a fee is paid under sub-paragraph (ca)”;
- (b) in sub-paragraph (f) after “registered to carry on fund services business as a managed entity” there is inserted “, but a fee is not payable if a fee is paid under sub-paragraph (fa)”.

PART 9

CITATION AND COMMENCEMENT

39 Citation and commencement

- (1) This Law may be cited as the Finance (2025 Budget) (Jersey) Law 202-.
- (2) Articles 9, 10, 13, 14 and 18 come into force on 1 January 2025 immediately after Article 20 of the Income Tax (Amendment – Stage 2 of Independent Taxation) (Jersey) Law 202- comes into force.
- (3) The rest of this Law comes into force on 1 January 2025.