

3.1 Deputy M. Tadier of St. Brelade of the Minister for Treasury and Resources regarding measures under consideration to raise the revenue required to fund the provision of public services: [1(244)]

What measures, if any, does the Minister have under consideration for raising the required amount of revenue to fund the provision of public services in the light of the ongoing structural deficit and continued austerity? In particular, how much revenue, if any does he expect to raise via the measures covered by the work stream of that report entitled *Tax Compliance Framework*?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

Briefly, the principal measures I am consulting on for Budget 2018 are the case for a so-called Tesco tax and the case for extending the range of finance sector companies taxed at rates other than the standard rate of 0 per cent. In addition, the Taxes Office is consulting now on a new scheme of civil financial penalties to tackle various sorts of defaults and wrongdoing. These are aimed at improving levels of compliance with the filing of returns, correct declaration of income, payment of tax, and so on. The objective is not to raise extra money from fines, rather to get the right amount of tax at the right time. This is a potentially bigger prize.

3.1.1 Deputy M. Tadier:

Does the Minister think that he will be able to meet his targets, i.e. savings of £70 million, by 2020?

Senator A.J.H. Maclean:

I have no reason to believe that the targets set are not achievable.

3.1.2 Senator S.C. Ferguson:

Is the Minister yet in a position to give an estimate of the tax he expects to collect from these 2 sources?

Senator A.J.H. Maclean:

No, I would not like to speculate on estimates. We have seen some in a recent time with Guernsey, who introduced a Tesco tax, and indeed the Isle of Man. But at this stage I would not wish to speculate in a public forum as to how much might be raised through that particular measure. With regard to compliance matters, currently Treasury raises around about £6 million or £7 million from compliance activity on an annualised basis, if that gives some indication to Members of the importance of that and the reason that we want to tighten up and improve it yet further.

3.1.3 Deputy G.P. Southern of St. Helier:

Surely the Minister must have target figures for his proposals. Is it not the case that the sums raised are unlikely to be very significant? Is he not just fiddling around the edges of tax policy and does he not need a fundamental reform?

Senator A.J.H. Maclean:

I can tell the Deputy that I do have indications of the potential amount that could be raised. What I have said earlier is I do not wish to speculate in a public forum as to what that might be at this time until further work has been done. At that particular point it would be quite appropriate that I give an estimate to Members, but I do not wish to give one when I am not sufficiently satisfied with the robustness of the numbers that are available at the moment.

3.1.4 Senator P.F.C. Ozouf:

Would the Minister agree that the question is deficient and inaccurate because it says “continued austerity”? Would the Minister not agree with me that austerity means economic conditions created by Government which require reductions in public expenditure, and that is not what the Minister is doing?

Senator A.J.H. Maclean:

Yes.

3.1.5 Deputy M.R. Higgins of St. Helier:

Can the Minister advise us when these reviews will be finished and when these taxes are likely to be brought in? How long after the next election?

Senator A.J.H. Maclean:

I can indeed, and in fact it was put in the public domain so the Deputy may well have unfortunately missed that. With regard to the measures that I am referring to and have referred to this morning, the intention is to complete the work during the course of this year so that it can be brought within the ambit of the budget at the end of this year, Budget 2018.

3.1.6 Deputy S.Y. Mézec of St. Helier:

The first time that I heard Senator Maclean talk about getting more businesses paying corporation tax was when he stood on the election platform in 2008, and here we are almost 9 years later with no progress. Could he inform the Assembly why we should have confidence that this time they will finally achieve something when it seems like they have not been able to up until this point?

Senator A.J.H. Maclean:

I do not know quite what the Deputy feels has not been achieved. I think Jersey is in a very strong position in terms of its public finances. We have made significant progress in the last few years and indeed I will be making announcements soon about the outturns from 2018 which are a much improved position to previous years, and indeed we are moving towards broadly balanced budgets already, 2 years ahead of target. So I do not think it is doom and gloom, I think Jersey is in a very positive position because of the way in which public finance has been managed, not just in recent years but for many years and indeed many decades.

Deputy M. Tadier:

I do not have a final supplementary but we will be watching with interest.