

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 18TH JULY 2022
ANSWER TO BE TABLED ON MONDAY 25TH JULY 2022**

Question

“Will the Minister state whether it is possible to distinguish by area or sector in which G.S.T is levied (for example food, fuel, electricity, gas, telephone) the income that is received; and if this is possible, provide the annual breakdown of tax collected for each sector since G.S.T was introduced; and will he further advise how much revenue it is estimated would be lost if G.S.T were removed from food products in line with U.K practice for the application of V.A.T?”

Answer

The information provided relates to goods supplied in Jersey after importation and excludes any further amounts where GST is accounted for – and paid – at the border. It does not include International Services Entities Fees.

The migration to the new Revenue Management System (RMS) computer system during 2019, together with the new corporate tax return, provides improved Standard Industry Classification (SIC) data. Data for the years prior to 2018 has been extracted from the legacy ITAX system; data for 2018 onwards has been extracted from the new RMS system. There is therefore a structural break in the GST data during 2018/2019 where classifications have been adjusted, and taxpayers who were not migrated into RMS may not be fully represented in the 2018 data.

GST was introduced with effect from 6 May 2008 at a rate of 3 per cent. The rate increased to 5 per cent with effect from 1 June 2011.

It is not possible without extensive research to calculate (to any great level of accuracy) how much revenue would be foregone if GST were removed from food products in line with UK practice for the application of VAT. This level of information is not captured by the GST return.

The cost of zero-rating *all* food was recently (and very roughly) estimated for a number of Election candidates at something over £10 million. A more reliable estimate would depend upon the exact nature of any scheme: for example, the extent to which zero-rating might be limited to basic foodstuffs or catered meals.

It is worth noting that the extra household costs associated with applying GST to food were built into the personal income tax allowances when GST was introduced and that the Community Cost Bonus and additional Income Support are provided to support those who either do not pay income tax or are relatively low-income.

Sector	£'m	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
A - Agriculture, Forestry and Fishing		0.2	0.4	0.5	0.5	0.8	1.0	0.8	0.8	0.8	0.9	0.2	0.1	0.3	0.2
B - Mining and Quarrying		0.3	0.5	0.5	0.7	0.6	0.7	0.7	0.9	0.9	0.8	1.0	1.2	1.2	1.1
C - Manufacturing		0.9	1.5	1.1	1.8	1.9	1.7	2.0	2.3	2.4	2.5	2.2	2.1	2.1	2.2
D - Electricity, Gas, steam and Air Conditioning Supply		1.3	2.8	2.9	3.5	4.5	4.5	4.3	4.8	4.2	5.0	5.4	5.4	5.5	6.0
E - Water Supply, Sewerage, Waste Management and Remediation Activities		0.3	0.4	0.4	0.5	0.7	0.7	1.0	0.9	0.9	0.9	0.8	1.0	1.4	1.4
F - Construction		1.8	3.5	2.9	5.2	4.9	5.7	6.0	6.2	6.3	5.8	6.0	8.1	7.2	7.6
G - Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles		12.8	20.5	21.2	29.1	35.8	35.8	37.1	37.8	38.0	38.2	36.2	36.7	36.5	37.3
H - Transportation and Storage		0.3	0.4	0.4	0.6	0.8	0.6	0.5	0.6	1.0	1.5	0.3	0.7	0.5	0.3
I - Accommodation and Food Service Activities		1.6	4.5	4.3	5.4	6.8	6.9	7.2	7.8	8.1	8.1	6.9	7.3	4.0	5.7
J - Information and Communication		2.0	3.6	3.5	4.7	5.9	5.4	6.0	6.1	6.4	6.3	1.6	1.8	1.7	1.8
K - Financial and Insurance Activities		0.4	0.3	0.3	0.3	0.3	0.3	0.3	(0.1)	0.2	0.7	12.7	12.5	12.2	13.8
L - Real Estate Activities		0.9	0.6	0.8	0.7	1.5	2.2	1.8	0.7	1.4	1.0	(0.1)	(1.0)	(0.8)	(1.3)
M - Professional, Scientific and Technical Activities		1.4	2.3	2.3	3.1	3.6	3.0	3.3	3.3	3.6	4.0	4.9	4.7	4.7	5.5
N - Administrative and Support Service Activities		0.9	1.4	1.4	2.1	2.3	2.1	2.2	2.2	2.7	2.9	3.7	3.6	3.2	3.4
O - Public Administration and Defence; Compulsory Social Security		(2.0)	(3.5)	(3.3)	(3.8)	(4.1)	(4.2)	(4.6)	(4.8)	(4.9)	(4.5)	(4.1)	(5.6)	(6.7)	(7.4)
P - Education		0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	(0.1)	(0.1)
Q - Human Health and Social Work Activities		0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.3	0.1	0.1	0.3
R - Arts, Entertainment and Recreation		0.5	0.6	0.6	0.9	1.0	1.0	1.0	1.0	1.1	1.1	0.8	0.9	0.7	0.7
S - Other Service Activities		0.1	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.3	0.4	0.5	0.5	0.6
T - Activities of Extraterritorial Organisations and Bodies		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.1
U - Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1
Other		(0.1)	(0.4)	(0.5)	(0.9)	(1.3)	(1.3)	(1.3)	(1.3)	(1.0)	(1.2)	(1.3)	(0.8)	(0.4)	(0.3)
Grand Total		23.6	39.5	39.6	54.6	66.4	66.4	68.8	69.8	72.8	74.7	78.2	79.5	73.7	79.0

* Columns may not sum due to rounding

