

STATES OF JERSEY



DRAFT BUDGET STATEMENT 2017 (P.109/2016): ADDENDUM

Presented to the States on 17th January 2017
by the Minister for Treasury and Resources

STATES GREFFE

Addendum to Budget Statement 2017



Addendum

At the conclusion of the States debate of the 2017 Budget on 14 December 2016 the States had approved four amendments to the original proposition from the Minister for Treasury and Resources, and rejected one Article of the Draft Finance (2017 Budget) Law 201- (P.113/2016).

Amendments Agreed

First Amendment (as proposed by Deputy R. Labey of St Helier) – Part (i)

The effect of part (i) of the amendment is to decrease the estimate of income from taxation during 2017 by increasing the duty on alcohol in-line with the June 2016 RPI figure of 1.5% and not by the increases proposed in the draft Budget Statement 2017.

Part (ii) of the amendment was not approved.

Third Amendment (as proposed by Deputy S.Y. Mézec of St. Helier and amended by the Minister for Treasury and Resources)

The amendment agrees in principle that from January 2018 landlords will no longer be able to deduct owners' rates when calculating taxable income from residential and commercial property.

It is estimated that this measure will raise additional income tax of £600,000 per annum from the 2018 year of assessment onwards.

Fourth Amendment (as proposed by Senator S.C. Ferguson and amended by the Minister for Treasury and Resources)

The amendment agrees in principle that from the 2018 year of assessment retail businesses operating in Jersey will be subject to a higher rate of tax if annual profits exceed a certain threshold (yet to be determined), providing that such a step does not pose a risk to the internationally compliant status of the zero-ten regime.

Fifth Amendment (as proposed by the Deputy of St. John and amended by the Minister for Treasury and Resources)

The amendment agrees in principle that from the 2018 year of assessment, the additional personal allowance will be phased out for cohabiting couples with one or more children.

Article 17 of the Draft Finance (2017 Budget) (Jersey) Law 201-

The changes to the Rates (Jersey) Law 2005 required to facilitate the States' payment of Parish rates were rejected by the States during the debate of the Draft Finance (2017 Budget) (Jersey) Law 201-

The Minister for Treasury and Resources had committed to work with the Connétables and bring forward proposals for the funding of the States' payment of Parish rates. Further work will now be required with the Connétables during 2017 to agree how to progress the payment and funding of the States' payment of Parish rates.

Summary

The approved amendments to the 2017 Budget will reduce the estimate of total taxation revenue in 2017 by £648,000 from £651,600,000 to £650,952,000.

The balance on the Consolidated Fund at the end of 2017 is estimated to be £27,101,000.