

ADDENDUM TO BUDGET STATEMENT 2018

Addendum

Amendments Approved

At the conclusion of the States debate on the 2018 Budget on 30 November 2017, the States had approved two amendments to the original proposition from the Minister for Treasury and Resources and one amendment to the Finance (2018 Budget) (Jersey) Law (P.98/2017) which had an impact of States revenues in 2018.

Second amendment (as proposed by the Connétable of Grouville)

This amendment had two parts: part one increased the VED rates chargeable for emissions band by a *further* 2.5% in 2018 (the Minister for Treasury and Resources had already proposed a 2.5% increase for 2018); part two adjusted the thresholds for each of the emissions bands by which VED is determined.

First amendment (as proposed by the Connétable of St Helier and amended by the Comité des Connétables)

This amendment removes the States exemption from paying parish and Island-wide rates on houses and buildings (including premises appertaining thereto) and car parks from 2018.

First amendment to the Finance (2018 Budget) (Jersey) Law (as proposed by the Connétable of St Helier and amended by the Comité des Connétables)

This amendment gives legal effect to the States decision in the Budget to remove the exemption from the States in respect of parish and Island-wide rates.

The following amendments were also approved during the course of the Budget debate but have no impact on States revenues in 2018:

Fifth amendment (as proposed by Senator Ozouf and amended by the Minister for Treasury and Resources)

This amendment has the effect of requesting that the Minister for Treasury and Resources undertake a programme of engagement and awareness-raising with UK businesses who levy UK VAT on goods delivered to Jersey to encourage them to apply the correct VAT treatment and to explore with those businesses the opportunities to collect any GST due from consumers based in Jersey and remit that GST directly to the Taxes Office in order to expedite the delivery of goods. The Minister for Treasury and Resources is required to report on the progress of this work by 10 April 2018.

Sixth amendment (as proposed by Senator Ozouf and amended by the Minister for Treasury and Resources)

This amendment has the effect of requesting that the Minister undertake a review into the feasibility of extending the scope of GST to include the supply of digital services into Jersey by businesses with no establishment in Jersey.

Seventh amendment (as proposed by Senator Ozouf) – part (i)

Part (i) of this amendment requests the Minister to review the principle that profits arising from mutual trading activities are not taxable. Part (ii) of this amendment, requiring amending legislation to be brought forward by the 2019 Budget, was rejected by the Assembly.

Eighth amendment (as proposed by Senator Ozouf)

This amendment requests the Chief Minister to request CICRA to undertake an inquiry into the Island's on-licence liquor trade.

Further work committed to during Budget debate

In addition to the reviews required to be undertaken by reference to the adopted Budget amendments, the Minister for Treasury and Resources also committed to a number of other reviews during the course of the Budget debate:

Duty free allowance for tobacco

A review will be undertaken into the feasibility of reducing the duty free allowance for tobacco to 40 cigarettes. Subject to the findings of that review, any legislative changes required will be brought forward no later than Budget 2019.

Taxation of Class 1 bookmakers

A review will be undertaken into the feasibility of extending a positive rate of corporate income tax to licensed Class 1 bookmakers. Subject to the findings of that review, any legislative changes required will be brought forward no later than Budget 2019.

Taxation of large liquor vendors

A review will be undertaken into the feasibility of extending a positive rate of corporate income tax to "large liquor vendors". Subject to the findings of that review, any legislative changes required will be brought forward no later than Budget 2019.

Summary

The approved amendments to the 2018 Budget will increase the estimate of total taxation revenue in 2018 by £2,200,000 from £689,146,000 to £691,346,000.

The balance on the Consolidated Fund at the end of 2018 is estimated to be £56,848,000

The full 2018 Budget statement P90/2017 (as amended) can be viewed at: www.statesassembly.gov.je