

STATES OF JERSEY



DRAFT FINANCE (2020 BUDGET) (JERSEY) LAW 201- (P.109/2019): AMENDMENT

**Lodged au Greffe on 8th November 2019
by the Minister for Treasury and Resources**

STATES GREFFE

1 PAGE 28, ARTICLE 16 –

(1) After Article 16(3) insert –

“(4) In Article 41I (late payment surcharge) –

(a) for paragraph (1) there is substituted –

“(1) In this Article, “specified time” means, in relation to the year of assessment 2019 and ensuing years –

(a) midnight on 30th November of the year immediately following the year of assessment, except in a case such as specified in subparagraph (b);

(b) in the case of a large company within the meaning of Article 41AA(7), midnight on 30th September of the year immediately following the year of assessment.”;

(b) for paragraph (2) preceding the proviso, there is substituted –

“(2) If a person in relation to whom this Article applies does not pay in full, before the specified time, the tax chargeable for a year of assessment on that person, the person shall be liable, whether or not an assessment has been served on the person, to pay an additional amount (the “surcharge”) equal to 10% of such tax as remains unpaid at the specified time.”;

(c) at the end there is inserted –

“(10) This Article does not apply in relation to an individual person who is excepted from the application of Article 41A, under paragraph (12)(a) of that Article.”.”.

(2) Re-number existing paragraph (4) of Article 16 as (5).

2 PAGE 47, ARTICLE 43

In Article 43(4) for “Article 41” substitute “Article 39”.

MINISTER FOR TREASURY AND RESOURCES

REPORT

This amendment to the Draft Finance (2020 Budget) (Jersey) Law 201- ([P.109/2019](#)) (the “draft Law”) is to take into account issues with the wording of an Article in the [Income Tax \(Jersey\) Law 1961](#) (the “Income Tax Law”) in relation to surcharges on the late payment of income tax, and to correct a reference within the draft Law.

The current wording in the Income Tax Law in relation to surcharges on late payment of income tax was introduced in the [Finance \(2019 Budget\) \(Jersey\) Law 2019](#). The surcharge is first due to come into effect in 2020. A recent review of the wording has identified flaws in both the scope and application of the surcharge.

The amendment adds a new provision into Article 16 of the draft Law. This new Article amends Article 41I of the Income Tax Law to ensure that all persons, including legal entities, are potentially subject to a surcharge if they do not pay their tax liabilities by the date specified by the Income Tax Law. It remains the case that where an individual’s wage is over 25% of their income, they will not be charged a surcharge. Revenue Jersey will instead pursue the underpaid tax through their ITIS rate.

The amendment also rectifies a referencing error in Article 43 of the draft Law. Article 43 refers to Article 41 of the [Control of Housing and Work \(Jersey\) Law 2012](#), but the correct reference should be to Article 39 of the Control of Housing and Work (Jersey) Law 2012.

Financial and manpower implications

There are no additional financial or manpower implications for the States arising from the adoption of this amendment.