

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 24th MARCH 2015**

Question

Will the Minister advise members how much tax revenue, broken down into Income Tax, Goods and Services Tax, and other tax receipts, was raised in 2013 from:

- a. Jersey based companies;
- b. foreign owned companies;
- c. financial service firms;
- d. utilities;
- e. firms brought into the Island by Locate Jersey;
- f. the general public;
- g. others;

and provide a breakdown of the sources of those taxes?

Answer

- a. Jersey based companies**
- b. foreign owned companies**
- c. financial service firms**
- d. utilities**

Income Tax

The Minister refers the Deputy to his question 8570 to which the answer was tabled on 9 December 2014.

In that answer the Deputy was advised as follows:-

2012 year of assessment (income) tax payable (raised in 2013) in respect of Financial Services Companies: £67,135,838

2012 year of assessment (income) tax payable (raised in 2013) in respect of utility companies: £3,460,942

2012 year of assessment (income) tax payable (raised in 2013) in respect of “other” companies: £18,335,630

With respect to the “other” companies these will include Jersey based and foreign owned companies referred to by the Deputy. It is important to make the position clear that these companies will be liable to income tax on their profits at the corporate rate of 0% in 2012. Only if they have a source of income derived from Jersey property (rental or development) or from the importation into Jersey of oil will these companies be liable, on these sources only, to tax at the standard rate of 20%. The ultimate ownership of these companies, be it Jersey or non-Jersey, has no bearing on their Jersey income tax liability.

Goods and Services Tax (GST)/International Services Entity (ISE) income received in the Taxes Office

2013 ISE Fees – finance sector (licensed by Jersey Financial Services Commission) £9.36 million

2013 GST – non-finance sector £61.02 million

2013 GST – utilities £5.25 million

e. firms brought into the Island by Locate Jersey

At this present time the Taxes Office is not able to provide the information being sought by the Deputy. Work has commenced to explore the feasibility of providing the information in due course.

f. the general public

2012 year of assessment (income) tax payable (raised in 2013) in respect of the general public (taken to mean Jersey resident individual taxpayers): £337,410,864

g. other

2012 year of assessment (income) tax payable (raised in 2013) in respect of “others” (partnerships, trusts, non-residents, etc.): £17,521,722

Land Transactions Tax paid to the Treasury in 2013 relating to the sale of share transfer properties (460 transactions) £959,107.

Breakdown of sources of taxes

To provide a full answer would require a considerable amount of resource within the Taxes Office and is not possible within the time available to provide this answer. The Minister is prepared to provide more detail to the Deputy and States Members on receipt of a more specific request.

However, in order to at least answer the Deputy’s question in part, in regard to corporate income tax it is evident that the large majority of the financial services tax relates to business profits in this sector with only a small part of the tax being derived from Jersey property. The same will apply in respect of the utility companies whereby the substantial part of the tax will be derived from their profits derived in respect of their specific businesses.

With regard to “other” companies the profits will have, in the large majority, been derived from Jersey property (rental and development) and to a lesser extent from oil importation and quarrying.

In respect of personal income tax a recent analysis of the top 10% of personal taxpayers (2013 year of assessment) provided the following information:-

Source	Percentage of tax payable
Business Profits	7.33%
Salary/Wages	62.86%
Pensions	4.58%
Unearned Income (Eg Bank interest/dividends/property income etc)	25.23%
Total	100.00%