

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY T.M. PITMAN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 4th DECEMBER 2012**

**Question**

Does the Minister agree with observations such as those expressed in his post election success speech by U.S. President Barack Obama that, given the global economic situation, it is essential that those individuals who are the most wealthy need to be willing to pay a little more in tax and, if not, why not?

**Answer**

The recent comments of President Barack Obama were made in the context of the US economy, which has a national debt estimated at US\$16.3 trillion (which exceeds 100% of US GDP) and which faces a “fiscal cliff” on 31 December 2012 that could result in US\$607bn of automatic government spending cuts and tax rises, unless a political compromise can be found.

In addition the Minister would draw attention to the data provided in the answer to Deputy Southern’s question regarding Jersey’s income tax system (tabled on 1st May 2012) which indicates:

- the top 20% of earners pay 70% of all the personal income tax paid in Jersey
- the top 10% of earners pay 47% of all the personal income tax paid in Jersey
- the top 5% of earners pay 34% of all the personal income tax paid in Jersey
- while the bottom 40% of earners pay less than 2% of all the personal income tax paid in Jersey

This data demonstrates that under the Jersey tax system those most able to pay already contribute the majority of the island’s personal income tax revenue.