

# STATES OF JERSEY



## **BUDGET 2006: SECOND AMENDMENT (P.266/2005) – COMMENTS**

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**Presented to the States on 29th November 2005  
by the Finance and Economics Committee**

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**STATES GREFFE**

## COMMENTS

The Finance and Economics Committee is not opposed in principle to the free provision of TV licences to those aged 75 and over where if funding is available and is properly allocated to address issues of hardship. The Committee is pleased to see that Senator Vibert has now limited his proposition to those below the income tax threshold and in general approves of targeted benefits rather than blanket subsidies.

However the Committee does not believe that the individual funding of favoured projects by uncoordinated targeted intervention in the tax system is the correct way to proceed. Prudent management of resources and properly researched and planned prioritisation must be the correct approach to managing the States' budget and funding of projects.

Having said this, if the amendment were to succeed, the Committee would propose to apply the increases in duty only to beer from large breweries. The effect on price should be minimal and the price of a pint could increase between 2p and 4p. The amendment would increase RPI by 0.02% more than the Committee's original proposals.