

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES BY DEPUTY G.P.
SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 3rd JUNE 2008

Question

Following his written response of 13th May to question 3873 when he stated that ‘many low to middle income earners will see a cut in their income tax’, will the Minister advise what figure he has for the percentage or absolute reduction in tax bills for those on marginal rate of income tax?

Answer

The reduction, and the percentage reduction, in tax bills depends on individual circumstances.

Examples of total tax cuts, in monetary terms, over the three years 2007, 2008 and 2009, resulting from increases in exemption limits, are:

Single person	£374
Married man	£598
Single person, over age 63	£414
Married couple, over age 63	£684
For one child not in further education	£135
For one child in further education	£270

As a further example of how generous these increases in exemption limits, together with child allowance have been, in 2006, a married couple, both working, with two children (one at University) and paying mortgage interest of £7,500, would not have become liable to income tax until their income exceeded £37,180. Due to these increases in exemption limits and child allowance, that very same married couple would not become liable to income tax in 2009 until their income exceeds £40,890.