

STATES OF JERSEY



INCOME TAX: ALLOWANCE FOR CHILDREN OVER 17 IN FULL-TIME EDUCATION (P.16/2004): COMMENTS

**Presented to the States on 18th May 2004
by the Education, Sport and Culture Committee**

STATES GREFFE

COMMENTS

The Committee for Education, Sport and Culture considered a draft report on this subject at its meeting of 18th February 2004.

At that meeting the Committee noted that 'further education' is a term used to describe the types of courses provided by Highlands College for young people who have completed their full-time compulsory education at 16 years of age. 'Higher education' is defined as being beyond further education. Generally speaking higher education is provided by universities in the U.K., although there are a limited number of such courses available at Highlands.

Schools which offer post-16 study towards 'A' levels for example, are not considered to be institutions of further or higher education. As a result there are a number of parents with children in this age group attending local school sixth-forms who are unable to benefit from this tax allowance.

Whilst accepting that there is an anomaly in the current arrangements and agreeing that the current tax relief arrangements discriminate against those parents with children attending local sixth-forms which fall outside the definition of further or higher education, the Committee also noted that the higher child care allowance for parents of children in full-time further or higher education was introduced primarily to replace an earlier facility for parents to enter into deeds of covenant in order to assist their children through higher education.

The Committee therefore does not accept the views expressed in Deputy Hill's report, furthermore it is of the opinion that there is no argument to maintain the current tax break unless children are attending programmes of higher education outside of the Island, for example those studying undergraduate courses at university in the United Kingdom.

In summary, the Committee believes that the original intention was to offer relief to parents who had previously been able to make deeds of covenant to provide for their children who were out of the Island in full-time higher education. The extension of tax relief to parents of students, who are not in higher education outside of the Island, is beyond the original intention and therefore the Education, Sport and Culture Committee is unable to support the Deputy Hill's recommendations.