

STATES OF JERSEY



EXPENDITURE PROPOSALS FOR 2012 AND 2013 AND DRAFT BUDGET STATEMENT 2011 (P.157/2010): THIRD AMENDMENT (P.157/2010 Amd.(3)) – AMENDMENT

**Lodged au Greffe on 23rd November 2010
by Senator S.C. Ferguson**

STATES GREFFE

EXPENDITURE PROPOSALS FOR 2012 AND 2013 AND DRAFT BUDGET
STATEMENT 2011 (P.157/2010): THIRD AMENDMENT (P.157/2010 Amd.(3)) –
AMENDMENT

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After the words “Food Costs (Offset of Average GST) Bonus” insert the words “, of income tax”.

SENATOR S.C. FERGUSON

REPORT

Deputy Green wishes to exempt or zero-rate food and domestic energy. He appears to accept that it is not right to give relief more than once and accordingly has proposed that if exemptions are adopted, the GST Bonus and elements of Income Support that were previously uprated to compensate for GST should be reduced accordingly.

However, he has overlooked the fact that elements of Income Tax were also adjusted to take account of the introduction of GST and, following the principles of equity, these should also be reduced.

If adopted, this amendment would simply ensure that any previous adjustments to Income Tax in respect of GST would also be removed.

Financial and manpower implications

There are no manpower implications arising from this amendment.

The financial implications are to reduce the Income Tax elements previously increased in respect of GST. From previous debates it appears that for every 1% reduction in the Income Tax elements, approximately £900,000 would be saved.