

# STATES OF JERSEY



## NEW STAMP DUTY RATES

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**Lodged au Greffe on 5th June 2023  
by Deputy M.B. Andrews of St Helier North  
Earliest date for debate: 4th July 2023**

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**STATES GREFFE**

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

to request the Minister for Treasury and Resources to bring forward the necessary legislative changes, for consideration by the Assembly no later than June 2024 with the changes to take effect from January 2025 –

- (a) to reduce the threshold of the current upper stamp duty band from a property value of £6 million to £5 million, with the rate applied to each £100, or part of £100, on properties above this threshold to be increased to £12.00;
- (b) to establish two new stamp duty bands for properties from £10,000,001 to £15 million, and £15,000,001 and above, with the chargeable rate within these bands on each £100, or part of £100, to be £13.50 and £15 respectively.

**DEPUTY M.B. ANDREWS OF ST. HELIER NORTH**

## **REPORT**

I am requesting the Treasury and Resources Minister bring forward legislative changes to the Stamp Duty (Jersey) Law 1998 and supplementary legislation, where necessary, to permit the superseding of two existing stamp duty bands, alongside the creation of two new stamp duty bands where transaction values exceed £10,000,000 and £15,000,000.

### **Superseding Stamp Duty Bands**

I am requesting the Minister for Treasury and Resources supersede the upper two stamp duty bands where transactions of properties are valued between £3,000,000 and £6,000,000 and where properties exceed £6,000,000.

Currently, a £3,000,000 transaction will generate £144,500 in stamp duty with £9.50 made payable on each £100 or part of £100 over £3,000,000 up to a property value of 6,000,000. And where a property is valued at £6,000,000, then £429,500 is made payable in stamp duty with £10.50 made payable in stamp duty for each £100 or part of £100 more than £6,000,000.

I am proposing properties valued between £3,000,000 and £6,000,000 are to be superseded with a new stamp duty band where properties are valued between £3,000,000 and £5,000,000. The rate of stamp duty applied on each £100 or part of £100 thereafter will remain at £9.50 on transacted properties between £3,000,000 and £5,000,000. Therefore, transactions below £5,000,000 will not be subject to increased stamp duty charges.

The upper stamp duty band where properties are valued at £6,000,000 will be superseded to £5,000,000. Currently, where stamp duty is payable on property with a transaction value over £6,000,000, £10.50 is made payable for each £100 or part of £100 in excess thereof. However, if my proposal is approved, the amount of stamp duty made payable on each £100 or part of £100 will be £12.00 where the property value exceeds £5,000,000 up to a property value of £10,000,000 which will generate an additional £85,000 in stamp duty on a £10,000,000 transaction.

### **Creation of Stamp Duty Bands**

I am also proposing the creation of two new stamp duty bands where properties are valued at £10,000,000 and where properties are valued above £15,000,000.

As it currently stands, £10.50 is made payable on each £100 or part of £100 over £10,000,000 to £15,000,000. I am requesting the Treasury and Resources Minister to increase the amount payable on each £100 or part £100 made payable to £13.50 to generate more stamp duty revenue. In consideration of the proposal being accepted an additional £235,000 in stamp duty will be generated on a £15,000,000 transaction.

I am also requesting the Treasury and Resources Minister to increase the amount payable on each £100 or part of £100 to £15 to generate additional stamp duty revenue on transactions over £15,000,000. With the current amount of stamp duty made payable on each £100 or part of £100 remaining at £10.50. If a property transaction worth £20,000,000 takes place, then an additional £460,000 will be generated in stamp duty if £15 is made payable on each £100 or part of £100 more than £15,000,000.

## Current and Proposed Stamp Duty Rates

Property Values and Stamp Duty Payable	Current Rates	As Amended
Existing Band (Not subject to change)	Property Value: £3,000,000 Stamp Duty: £144,500 £144,500 in respect of the first £3,000,000 plus £9.50 for each £100 or part of £100 in excess thereof	Property Value: £3,000,000 Stamp Duty: £144,500 £144,500 in respect of the first £3,000,000 plus £9.50 for each £100 or part of £100 in excess thereof
Existing Band (Subject to change)	Property Value: £5,000,000 Stamp Duty: £334,500 £334,500 in respect of the first £5,000,000 plus £9.50 for each £100 or part of £100 up to £6,000,000.  In respect of each £100 made payable or part of £100 made payable over £6,000,000, £10.50 is made payable up to £10,000,000.	Property Value: £5,000,000 Stamp Duty: £334,500 £334,500 in respect of the first £5,000,000 plus £12.00 for each £100 or part of £100 in excess thereof
New Stamp Duty Band	Property Value: £10,000,000 Stamp Duty: £849,500 £849,500 in respect of the first £10,000,000 plus £10.50 for each £100 or part of £100 in excess thereof	Property Value: £10,000,000 Stamp Duty: £934,500 £934,500 in respect of the first £10,000,000 plus £13.50 for each £100 or part of £100 in excess thereof
New Stamp Duty Band	Property Value: £15,000,000 Stamp Duty: £1,374,500 £1,374,500 in respect of the first £15,000,000 plus £10.50 for each £100 or part of £100 in excess thereof	Property Value: £15,000,000 Stamp Duty: £1,609,500 £1,609,500 in respect of the first £15,000,000 plus £15.00 for each £100 or part of £100 in excess thereof

### Financial and manpower implications

Having spoken to the officers in the Treasury and Resources Department I was informed utilising the proposed rates on the previous two years worth of transactions would generate an additional £1,500,000 in 2021 and an additional £1,000,000 in stamp duty in 2022.

I was not however provided with a stamp duty revenue forecast for 2025 accounting the prospective stamp duty rates because officers informed me transactions were diminutive with 16 and 12 transactions respectively taking place in 2021 and 2022 which fall within the remit of the proposed stamp duty rate changes.

If this proposition is successful then the Minister for Treasury and Resources will be required to bring about legislative changes to the Stamp Duty (Jersey) Law 1998. There will also be supplementary legislative amendments to the Taxation (Land Transactions) (Jersey) Law 2009 and the Enveloped Property Transactions (Jersey) Law 2022 too. Plus, there will be reflected changes in legislation to account for stamp duty surcharges too.