STATES OF JERSEY



ISLAND-WIDE RATE FIGURE FOR 2018

Presented to the States on 20th June 2018 by the Comité des Connétables

STATES GREFFE

2018 R.76

REPORT

The Island-wide rate for 2018 has been determined in accordance with the <u>Rates (Jersey)</u> <u>Law 2005</u>.

The 2018 Annual Island-wide Rate Figure (AIRF) is the 2017 figure of £12,427,030 increased by the Jersey Retail Prices Index (RPI) for the 12 months to March 2018 of 3.2% resulting in a sum of £12,824,695.

In accordance with the <u>Rates (Apportionment) (Jersey) Regulations 2006</u> ("the 2006 Regulations"), 55% of the AIRF is to be met from the domestic rate and 45% of the AIRF is to be met from the non-domestic rate.

The rates are determined by dividing the sum to be raised between the number of quarters assessed on domestic property (c. 973 million quarters) and on non-domestic property (c. 550 million quarters). The rates will therefore be 0.73 pence per quarter for domestic ratepayers (an increase from 2017 which was 0.71 pence per quarter) and 1.05 pence per quarter for non-domestic ratepayers (a decrease from 2017 which was 1.23 pence per quarter).

The decrease in the non-domestic rate is due to the removal of the exemption from rates of States property which was agreed in the 2018 budget debate (see voting on <u>Draft Budget Statement 2018 (P.90/2017)</u>: amendment (P.90/2017 Amd.) – amendment). The report to the proposition <u>P.90-2017 Amd. Amd.</u> outlined, on page 7, the estimated effect on the 2017 domestic and non-domestic rates if the States exemption had been removed in that year (based on the 2017 AIRF the rates would have been 0.71 pence per quarter domestic and 1.03 pence per quarter non-domestic).

The actual 2018 domestic and non-domestic rates reflect the RPI increase in the AIRF of 3.2%.

The Connétables have considered whether the apportionment of the AIRF set in the 2006 Regulations should change following the increase in the number of non-domestic quarters (mainly due to the removal of the exemption for States property). But the States also agreed, in the 2017 budget, to amend the Rates (Jersey) Law 2005 to enable the States to make Regulations making provision for and in relation to revaluation of land. If such Regulations are brought forward, following recommendations made by the current working party, there may be a further significant change to the number of quarters assessed and the Connétables have therefore decided not to review the apportionment until the Working Party has reported.