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Corporate Services Scrutiny Panel
States Greffe
States Assembly
Morier House
St Helier
JE1 1DD

3rd September 2024

Dear Deputy Miles,

Ref: Corporate Services Scrutiny Panel - Proposed Budget 2025-2028 Review

Thank you for your letter entitled 'Corporate Services Scrutiny Panel - Proposed Budget 2025-2028 Review' sent to us on 22nd August 2024. Where we have business insights for the points you requested, we have summarised those below

We encourage you to continue to utilize Jersey Business to engage with industry for consultation on the proposed changes. This way we can ensure businesses are kept updated and informed of any taxation and policy changes as they occur.

Increasing Vehicle Emissions Duty of the three highest emission bands by 5%, 10% and 20% for non-commercial vehicles.

The Motor Trade Federation have told us that the Government sought consultation with them, but they are discouraged that the highest proposed increases have been adopted. They are concerned that the rise may have an unintended negative impact for young people who are entering motor sports, as they typically purchase high-emission cars not for daily use, but to get involved in the sport.

Increasing Vehicle Emissions Duty by the forecasted RPI (3.6%) across all bands for commercial vehicles with the exception of Restricted Speed Agricultural Tractors VED rates, which will not be increased in 2025.

See answer above.

Excise duty relief for craft spirits producers through the creation of a new category of relief for small producers and increasing the maximum volume that can be produced by the small producer from 10,000 litres of pure alcohol over five years to 40,000 litres annually to qualify for the lower rate.

Based on feedback from businesses, we also suggest considering including duty relief for wine producers, potentially with different terms based on production volume. Although Jersey currently has a relatively small wine output, reducing duty rates could incentivize increased production and export.

Suggestion to follow the UK Government's strategy and permit Duty-Free alcohol for industrial, medical, or scientific use. The medicinal cannabis industry uses it to dissolve THC and other cannabinoids, and herbalists in Jersey often need ethyl alcohol as a solvent for tinctures, sometimes up to 90% concentration.

Several small artisanal businesses use local products such as Jersey Dairy milk and Jersey Royal potatoes to craft vodka and some use off island distillers to do this. Including them in the small producer excise duty relief based on the volume they produce, rather than the maximum volume produced by the supplying offshore distilleries as is presently the case, would offer significant support.

Fuel Duty Replacement Policy (future tax measures under consideration)

The Motor Trade Federation is concerned and would like the earliest opportunity for awareness of what this could entail and to understand the implications of the current proposal, as it is currently proposed taxing every change of car ownership. Whilst they recognize that the intention is to recover losses from Fuel Duty, this proposal could negatively impact car dealerships. It would affect the buying and selling process, as vehicles often pass through multiple dealerships before being sold to a consumer, including transactions through part exchanges and subsequent sales to other dealerships.

An alternative solution could be to implement a pay-per-mile system, similar to the one being proposed in the UK. To ensure fairness, exemptions could be included for certain groups or circumstances.

On Premises Retail Alcohol Sales: 'Tap Relief' (future tax measures under consideration)

We are supportive of this initiative to support the Hospitality sector.

Your sincerely,



Paul Murphy
Chief Executive Officer