

STATES OF JERSEY

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DRAFT FINANCE (JERSEY) LAW 200-

**Lodged au Greffe on 18th November 2003
by the Finance and Economics Committee**

STATES GREFFE



Jersey

DRAFT FINANCE (JERSEY) LAW 200-

European Convention on Human Rights

The President of the Finance and Economics Committee has made the following statement –

In the view of the Finance and Economics Committee the provisions of the Draft Finance (Jersey) Law 200- are compatible with the Convention Rights.

(Signed) **Senator T.A. Le Sueur**

REPORT

Statement of financial and manpower implications for the States

The financial implications of this draft Law are self-explanatory and set out in the Budget Book. There are not expected to be any manpower implications.

European Convention on Human Rights

Article 16 of the Human Rights (Jersey) Law 2000 will, when brought into force by Act of the States, require the Committee in charge of a Projet de Loi to make a statement about the compatibility of the provisions of the Projet with the Convention rights (as defined by Article 1 of the Law). Although the Human Rights (Jersey) Law 2000 is not yet in force, on 12th November 2003 the Finance and Economics Committee made the following statement before Second Reading of this projet in the States Assembly –

In the view of the Finance and Economics Committee the provisions of the Draft Finance (Jersey) Law 200- are compatible with the Convention Rights.

Explanatory Note

This draft Law:

- (a) prescribes the standard rate of income tax for 2004 at 20 pence in the pound (*Article 1*);
- (b) clarifies the requirement to pay excise duty on the registration of a motor vehicle so that it is only payable on the first occasion the vehicle is registered (*Article 3(a)*);
- (c) provides for the charging of an amount equivalent to any relief from or drawback of excise duty granted in respect of a motor vehicle if there is a change of use of the vehicle unless the vehicle still qualifies for relief or has done so for more than 5 years (*Article 3(b)*);
- (d) increases the excise duty on alcohol and tobacco; it particular it charges the same rate of duty on alcoholic beverages other than wines, beer or cider exceeding 1.2 but not exceeding 5.5 per cent volume as is payable on spirits (*Article 4 and Schedule*); and
- (e) increases the rates of stamp duty on property transactions by $\frac{1}{4}$ per cent on properties valued between £50,000 and £300,000, by $\frac{1}{2}$ per cent on properties valued between £300,000 and £500,000 and between £500,000 and £700,000, and by 1 per cent on properties valued at more than £700,000 (*Article 6*).



Jersey

DRAFT FINANCE (JERSEY) LAW 200-

Arrangement

Article

PART 1

INCOME TAX

1 Standard rate of income tax for 2004

PART 2

EXCISE DUTY

2 Interpretation

3 Article 38 amended

4 Part II of First Schedule substituted

5 Commencement

PART 3

STAMP DUTY

6 First Schedule amended

7 Commencement

PART 4

CLOSING PROVISION

8 Citation

SCHEDULE

INCREASES IN EXCISE DUTY



Jersey

DRAFT FINANCE (JERSEY) LAW 200-

A LAW to prescribe the standard rate of income tax for the year 2004; to amend further the Customs and Excise (Jersey) Law 1999 so as to increase excise duty on alcoholic beverages, tobacco, hydrocarbon oils and vehicle registration and to make provision for the charging of excise duty in connection with vehicle registration where relief from or drawback of duty has previously been allowed; to amend further the Stamp Duties and Fees (Jersey) Law 1998 so as to increase the stamp duty payable on certain immovable property transactions; and for connected purposes.

Adopted by the States [date to be inserted]

Sanctioned by Order of Her Majesty in Council [date to be inserted]

Registered by the Royal Court [date to be inserted]

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

PART 1

INCOME TAX

1 Standard rate of income tax for 2004

There shall be levied and charged in Jersey for the year 2004, in accordance with the Income Tax (Jersey) Law 1961,^[1] income tax at the standard rate of 20 pence in the pound.

PART 2

EXCISE DUTY

2 Interpretation

In this Part “1999 Law” means the Customs and Excise (Jersey) Law 1999.^[2]

3 Article 38 amended

In Article 38(3) of the 1999 Law^[3] –

- (a) in paragraph (3) after the words “the owner” there shall be inserted the words “on the first occasion”; and

(b) after paragraph (3) there shall be added the following paragraph –

“(4) Despite the foregoing provisions of this Article, paragraph (5) applies where–

(a) the owner of a motor vehicle is required to make –

(i) a notification of a change of use of the vehicle in accordance with an Order made under Article 7 of the Motor Vehicle Registration (Jersey) Law 1993 ^[4] or

(ii) an application for the registration of the vehicle in accordance with that Law where it has previously been so registered; and

(b) relief from or drawback of excise duty has previously been allowed in respect of the vehicle.

(5) Subject to paragraph (6), excise duty shall be payable by the owner of the vehicle (being, in the case of a change of use following a change of ownership, the new owner) at the rate equivalent to the amount of relief or drawback mentioned in paragraph (4)(b).

(6) No duty shall be payable under paragraph (5) if –

(a) the vehicle still qualifies for relief from excise duty; or

(b) the notification or application mentioned in paragraph (4)(a) was required to be made more than 5 years after the first occasion when the vehicle was required to be registered.”.

4 Part II of First Schedule substituted

For Part II of the First Schedule to the 1999 Law ^[5] there shall be substituted the Part set out in the Schedule.

5 Commencement

This Part shall be deemed to have come into force on 1st January 2004.

PART 3

STAMP DUTY

6 First Schedule amended

In the First Schedule to the Stamp Duties and Fees (Jersey) Law 1998, ^[6] in item 13 (CONTRACTS)–

(a) for sub-paragraph (a) there shall be substituted the following sub-paragraph –

Item

Stamp Duty

Chargeable Document

Designated Officer

“(a) Of sale of immovable property other than “rentes anciennes” but including “rentes nouvelles” and simple conventional hypothecs (except as

provided by sub-paragraphs (b), (k), (l) or (u) of this item), where the consideration for the transfer of the property or, if the gross value of the property transferred exceeds such consideration, the gross value of the property –

(i) does not exceed £50,000	50p each £100 or part of £100, with a minimum fee of £10.00	Contract	Greffier
(ii) exceeds £50,000 but does not exceed £300,000	£250 in respect of the first £50,000, plus £1.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iii) exceeds £300,000 but does not exceed £500,000	£4,000 in respect of the first £300,000 plus £2.00 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iv) exceeds £500,000 but does not exceed £700,000	£8,000 in respect of the first £500,000, plus £2.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(v) exceeds £700,000	£13,000 in respect of the first £700,000 plus £3.00 for each £100 or part of £100 in excess thereof	Contract	Greffier

In the case of a contract of exchange of immovable property the fees specified in this paragraph shall be separately calculated in respect of the gross value of each property transferred.”;

- (b) for sub-paragraph (c) there shall be substituted the following sub-paragraph –

Stamp Duty *Chargeable* *Designated*
Document *Officer*

Item

“(c) Of gift, resignation or cession without cash consideration of immovable property (except as provided by sub-paragraphs (k), (l) or (u) of this item), where the net value of the immovable property transferred –			
(i) does not exceed £50,000	50p for each £100 or part of £100, with a minimum fee of £10.00	Contract	Greffier
(ii) exceeds £50,000 but does not exceed £300,000	£250 in respect of the first £50,000, plus £1.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iii) exceeds £300,000 but does not exceed £500,000	£4,000 in respect of the first £300,000 plus £2.00 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iv) exceeds £500,000 but does not exceed £700,000	£8,000 in respect of the first £500,000, plus £2.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(v) exceeds £700,000	£13,000 in respect of the first £700,000 plus £3.00 for each £100 or part of £100 in excess thereof”;	Contract	Greffier

(c) for sub-paragraph (k) there shall be substituted the following sub-paragraph –

Item	Stamp Duty	Chargeable Document	Designated Officer
“(k) Of sale, gift, cession or other transfer of immovable property by a sole owner into joint ownership with another person, where the cash			

consideration for the transfer or, if one half of the net value of the property exceeds such consideration, one half of the net value of the property –

(i)	does not exceed £50,000	50p for each £100 or part of £100, with a minimum fee of £10.00	Contract	Greffier
(ii)	exceeds £50,000 but does not exceed £300,000	£250 in respect of the first £50,000, plus £1.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iii)	exceeds £300,000 but does not exceed £500,000	£4,000 in respect of the first £300,000 plus £2.00 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iv)	exceeds £500,000 but does not exceed £700,000	£8,000 in respect of the first £500,000, plus £2.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(v)	exceeds £700,000	£13,000 in respect of the first £700,000 plus £3.00 for each £100 or part of £100 in excess thereof	Contract	Greffier

If the transfer is effected by cession or sale of the property to a third party and resignation back to the transferee, the fee specified in this paragraph shall be taken on the first contract and the fee taken on the contract of resignation shall be £5.00 for each page of the contract, with a minimum fee of £10.00.

Where any transfer of immovable property or of a share therein takes place by reason of an order made by the Court under Article 28 of the Matrimonial Causes (Jersey) Law 1949, the fee specified in this paragraph shall be reduced to a fee of £5.00 for each page of the contract with a minimum fee of £10.00.

Where any transfer of immoveable property by a sole owner is into the joint ownership of himself and his spouse and, at the time of the transfer, that property is their matrimonial home, the fee specified in this paragraph shall be reduced to a fee of £5.00 for each page of the contract with a minimum fee of £10.00.”;

(d) for sub-paragraph (l) there shall be substituted the following sub-paragraph –

<i>Item</i>	<i>Stamp Duty</i>	<i>Chargeable Document</i>	<i>Designated Officer</i>
“(1) Of sale, gift, cession or other transfer of immovable property by a joint owner into sole ownership, where the cash consideration for the transfer –			
(i) does not exceed £50,000	50p for each £100 or part of £100, with a minimum fee of £10.00	Contract	Greffier
(ii) exceeds £50,000 but does not exceed £300,000	£250 in respect of the first £50,000, plus £1.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iii) exceeds £300,000 but does not exceed £500,000	£4,000 in respect of the first £300,000 plus £2.00 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iv) exceeds £500,000 but does not exceed £700,000	£8,000 in respect of the first £500,000, plus £2.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(v) exceeds £700,000	£13,000 in respect of the first £700,000 plus £3.00 for each £100 or part of £100 in excess thereof	Contract	Greffier

If the transfer is effected by cession or sale of the property to a third party and resignation back to the transferee, the fee specified in this paragraph shall be taken on the first contract and the fee taken on the contract of resignation shall be £5.00 for each page of the contract, with a minimum fee of £10.00.

Where any transfer of immovable property or of a share therein takes place by reason of an order made by the Court under Article 28 of the Matrimonial Causes (Jersey) Law 1949, the fee specified in this paragraph shall be reduced to a fee of £5.00 for each page of the contract with a minimum fee of £10.00.

Where any transfer of immoveable property in the joint ownership of spouses is by one of them into the sole ownership of the other and, at the time of the transfer, that property is their matrimonial home, the fee specified in this

paragraph shall be reduced to a fee of £5.00 for each page of the contract with a minimum fee of £10.00.”; and

(e) for sub-paragraph (o) there shall be substituted the following sub-paragraph –

<i>Item</i>	<i>Stamp Duty</i>	<i>Chargeable Document</i>	<i>Designated Officer</i>
“(o) Not otherwise provided for under this item –			
(A) where the consideration stipulated in the contract –			
(i) does not exceed £50,000	50p for each £100 or part of £100, with a minimum fee of £10.00	Contract	Greffier
(ii) exceeds £50,000 but does not exceed £300,000	£250 in respect of the first £50,000, plus £1.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iii) exceeds £300,000 but does not exceed £500,000	£4,000 in respect of the first £300,000 plus £2.00 for each £100 or part of £100 in excess thereof	Contract	Greffier
(iv) exceeds £500,000 but does not exceed £700,000	£8,000 in respect of the first £500,000, plus £2.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(v) exceeds £700,000	£13,000 in respect of the first £700,000 plus £3.00 for each £100 or part of £100 in excess thereof	Contract	Greffier
(B) Where no consideration is stipulated in the contract	£5.00 for each page of the contract, with a minimum fee of £10.00	Contract	Greffier”.

7 Commencement

This Part shall be deemed to have come into force on 1st January 2004.

PART 4
CLOSING PROVISION

8 Citation

This Law may be cited as the Finance (Jersey) Law 200-.

SCHEDULE

(Article 4)

INCREASES IN EXCISE DUTY

“PART II

(Article 38)

1 Spirits

There shall be charged on all spirits imported into or distilled or produced in Jersey excise duty at the rate of £20.23 per litre of alcohol.

2 Wines

There shall be charged on all wines imported into or produced or manufactured in Jersey excise duty at the following rates –

<i>Strength of wines</i>	<i>Rate per hectolitre</i>
Wines exceeding 1.2 per cent volume but not exceeding 5.5 per cent volume	£50.79
Wines exceeding 5.5 per cent volume but not exceeding 15 per cent volume	£136.26
Wines exceeding 15 per cent volume but not exceeding 22 per cent volume	£166.98
	<i>Rate per litre of alcohol</i>
Wines exceeding 22 per cent volume	£20.23.

3 Beer

There shall be charged –

- (a) on all beer produced by a small independent brewer which is imported into or manufactured in Jersey excise duty at the rate of –
 - (i) £40.24 per hectolitre of beer not exceeding 4.9 per cent volume; and
 - (ii) £61.71 per hectolitre of beer exceeding 4.9 per cent volume; and
- (b) on all other beer imported into or manufactured in Jersey excise duty at the rate of –
 - (i) £44.84 per hectolitre of beer not exceeding 4.9 per cent volume; and
 - (ii) £67.45 per hectolitre of beer exceeding 4.9 per cent volume.

4 Other alcoholic beverages

There shall be charged on the following alcoholic beverages imported into or produced in Jersey excise duty at the following rates –

- (a) on cider not exceeding 4.9 per cent volume £44.84 per hectolitre
- (b) on any other cider £67.45 per hectolitre

- (c) on any alcoholic beverage other than wines, beer or cider exceeding 1.2 per cent volume but not exceeding 5.5 per cent volume £20.23 per litre of alcohol

5 Tobacco

There shall be charged on all tobacco imported into or grown, produced or manufactured in Jersey excise duty at the following rates –

- (a) on unprocessed tobacco £114.28 per kilogramme
 (b) on cigars £123.64 per kilogramme
 (c) on cigarettes £154.63 per kilogramme
 (d) on hand-rolling tobacco £131.42 per kilogramme
 (e) on other types of processed tobacco not included in paragraphs (b) to (d) £119.67 per kilogramme.

6 Hydrocarbon oil

(1) There shall be charged on hydrocarbon oil imported or delivered into or produced in Jersey excise duty at the following rates –

- (a) on higher octane ultra low sulphur petrol £38.20 per hectolitre
 (b) on all other ultra low sulphur petrol £36.70 per hectolitre
 (c) on ultra low sulphur diesel £36.70 per hectolitre
 (d) on all other types of hydrocarbon oil £39.70 per hectolitre.

(2) For the purposes of this paragraph –

- (a) petrol is ‘higher octane’ if its research octane number is not less than 96 and its motor octane number is not less than 86;
 (b) ‘ultra low sulphur petrol’ means unleaded petrol the sulphur content of which does not exceed 0.005per cent by weight;
 (c) ‘ultra low sulphur diesel’ means gas oil the sulphur content of which does not exceed 0.005per cent by weight.

7 Vehicle Registration Duty

There shall be charged on all motor vehicles on the first occasion when they are required to be registered under Article 4 of the Motor Vehicle Registration (Jersey) Law 1993 excise duty at the following rates –

<i>Cylinder capacity of engine of motor vehicle</i>	<i>Rate of duty</i>
Less than 126 cubic centimetres	£30
126-500 cubic centimetres	£60
501-1000 cubic centimetres	£125
1001-1400 cubic centimetres	£375
1401-1800 cubic centimetres	£625

1801-2000 cubic centimetres	£940
2001-2500 cubic centimetres	£1,250
2501-3000 cubic centimetres	£1,875
3001-3500 cubic centimetres	£2,500
More than 3500 cubic centimetres	£3,125”.

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- [1] *Volume 1961-1962, pages 197 and 443, Volume 1963-1965, pages 97, 143, 178, 189, 423 and 454, Volume 1966-1967, page 523, Volume 1968-1969, pages 38 and 219, Volume 1970-1972, pages 209, 305 and 382, Volume 1973-1974, page 275, Volume 1975-1978, pages 47, 148 and 257, Volume 1979-1981, pages 16, 157, 297 and 383, Volume 1982-1983, page 46, Volume 1984-1985, page 76, Volume 1986-1987, pages 192 and 208, Volume 1988-1989, pages 222 and 380, Volume 1990-1991, pages 96, 432 and 1088, Volume 1992-1993, pages 36 and 121, Volume 1994-1995, pages 220 and 366, Volume 1996-1997, pages 264, 643 and 652, Volume 1998, pages 3 and 259, Volume 1999, pages 209, 390, 403 and 418, Volume 2000, page 290, Volume 2001, pages 123 and 145 and Volume 2003, page 239.*
- [2] *Volume 1999, page 537, Volume 2001, pages 11 and 146, Volume 2002, page 429 and Volume 2003, pages 228 and 355.*
- [3] *Volume 1999, page 580 and Volume 2003, page 228.*
- [4] *Volume 1992-1993, page 416 and Volume 1994-1995, page 296.*
- [5] *Volume 1999, page 610, Volume 2002, page 429 and Volume 2003, page 230.*
- [6] *Volume 1998, page 113, Volume 2003, page 232 and R&Os 9469 and 9441.*