

# STATES OF JERSEY



## **DRAFT INCOME TAX (PRESCRIBED LIMIT AND RATE) (AMENDMENT) (JERSEY) REGULATIONS 201- (P.114/2011): AMENDMENT**

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Lodged au Greffe on 5th July 2011  
by Deputy T.M. Pitman of St. Helier

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**STATES GREFFE**

DRAFT INCOME TAX (PRESCRIBED LIMIT AND RATE) (AMENDMENT)  
(JERSEY) REGULATIONS 201- (P.114/2011): AMENDMENT

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**1 PAGE 5, REGULATION 2 –**

In paragraph (2), in the added paragraph (2), for the amount “£625,000” substitute the amount “£1,000,000”.

**2 PAGE 5, REGULATION 3 –**

In paragraph (2), in the added paragraph (2), for the words “one pence in the pound” substitute the words “two pence in the pound”.

DEPUTY T.M. PITMAN OF ST. HELIER

## REPORT

The Report accompanying this amendment is found in the amendment to the Draft Income Tax (Amendment No. 39) (Jersey) Law 201- (P.113/2011 Amd).

### Note

As explained in that Report, for drafting reasons my amendment is brought in 2 parts. The amendment to the Draft Income Tax (Amendment No. 39) (Jersey) Law 201- (P.113/2011 Amd) would impose the 25% tax rate on so much of the person's income as did not exceed the prescribed limit. This associated amendment to the Draft Income Tax (Prescribed Limit and Rate) (Amendment) (Jersey) Regulations 201- would increase the prescribed limit from £625,000 to £1 million and increase the rate of tax applicable above the prescribed limit from 1% to 2%.

### **Financial and manpower implications**

Highlighting exact figures relating to 1(1)(k) policy – whatever its agreed percentage rate – is obviously extremely difficult. This being because no-one can know the exact total global income of an individual in advance.

Nevertheless, in order to comply with Standing Orders, I can outline that viewed in its most basic terms the financial and manpower implication of these amendments being adopted is that, in contrast to the Minister's proposals, income achieved from the rates in my amendment would be double that of the former.

For example: An individual with a £1 million of local income would contribute a far more realistic £250,000 from this. With another £5 million of global income, he or she would pay just another £100,000. When these 2 figures are condensed into one, the total taxation on what has to be acknowledged as a vast income is obvious. Hardly genuinely off-putting – and in reality still hardly fair viewed against the tax burden placed on 'ordinary' working people contributing to our economy. But at least this would be a step in the right direction compared to the Minister's proposals, until the whole system can be put to the general public.