

STATES OF JERSEY

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DRAFT INCOME TAX (AMENDMENT No. 31) (JERSEY) LAW 200

**Lodged au Greffe on 21st October 2008
by the Minister for Treasury and Resources**

STATES GREFFE



Jersey

DRAFT INCOME TAX (AMENDMENT No. 31)(JERSEY) LAW 200

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000 the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources the provisions of the Draft Income Tax (Amendment No. 31) (Jersey) Law 200 are compatible with the Convention Rights.

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

REPORT

This draft Law gives effect to proposals described in the Draft Budget Statement 2009.

Financial and manpower implications

The financial and manpower implications are clearly identified at Section 9 of the Draft Budget Statement 2009 (P.158/2008).

European Convention on Human Rights

Article 16 of the Human Rights (Jersey) Law 2000 requires the Minister 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). On 17th October 2008 the Minister for Treasury and Resources made the following statement before Second Reading of this Projet in the States Assembly –

In the view of the Minister for Treasury and Resources the provisions of the Draft Income Tax (Amendment No. 31) (Jersey) Law 200 are compatible with the Convention Rights.

Explanatory Note

This draft Law would amend the Income Tax (Jersey) Law 1961, the “principal Law”. This draft Law has 7 parts.

PART 1 – PRELIMINARY

Article 1 is an interpretation provision.

PART 2 – PENSIONS

This Part amends the provisions relating to occupational pension schemes under Article 131, annuity contracts under Article 131B, and retirement annuity trust schemes under Article 131CA. For convenience, these are referred to below as “Article 131, 131B and 131CA pension arrangements”.

Article 2 inserts a definition of “related earnings” in the principal Law. “Related earnings” mean any income of an individual arising from an office or employment and any income from carrying on a trade, profession or vocation.

Article 3 amends Article 131 of the principal Law to limit the annual payments of an employed person to Article 131, 131B and 131CA pension arrangements. Such payments, when aggregated, must not exceed £250,000 per annum or that person’s related earnings for that year, whichever is the lower amount.

Article 4 amends Article 131B of the principal Law in respect of individuals who are party to annuity contracts as follows –

- (a) the requirement that an individual must be in receipt of relevant earnings is removed;
- (b) the annual payments by an individual to Article 131, 131B and 131CA pension arrangements is limited to £250,000 or that person’s related earnings for that year, whichever is the lower amount;
- (c) an individual may commute up to 30% of the fund to a tax free lump sum following up to 3 elections from the date that the individual can take early retirement under the annuity contract until the date the individual actually retires;
- (d) an individual may commute the whole of the fund for reasons of serious ill health to a tax free lump sum or, if the value of the fund does not exceed £30,000 at the time of retirement, to a lump sum taxed at 10%;
- (e) the whole fund may be commuted to a lump sum taxed at 10% and paid to a surviving spouse or dependent following the death of an individual after retirement provided that the value of the fund at that time does not exceed £30,000;
- (f) if an individual dies before retirement, a beneficiary may receive a tax free lump sum of up to 5 times that individual’s annual relevant earnings;
- (g) following an individual’s death, a beneficiary can require a sum representing some or all of those rights to be transferred to a retirement annuity trust scheme;
- (h) contributions may be made under the contract by any person paying the individual’s relevant earnings.

Article 5 amends Article 131CA of the principal Law in respect of retirement annuity trust schemes to reflect the changes set out above for annuity contracts.

Article 6 amends Schedule 2 of the principal Law so that premiums under an Article 131B annuity contract and contributions to an Article 131CA retirement annuity trust scheme are disregarded for income tax purposes.

Article 7 provides that Part 2 has effect for the year of assessment 2009 and ensuing years.

PART 3 – INCOME TAX EXEMPTION INCREASES

Articles 8 and 9 amend Article 92A of the principal Law so as to increase the exemption thresholds for income tax for the year of assessment 2009 and ensuing years by approximately 2%. These thresholds for the year of

assessment 2009 were last increased by 3% in the Income Tax (Amendment No. 30) (Jersey) Law 2008, thus making a total increase of 5% over the exemption limits for the year of assessment 2008.

PART 4 – PENALTIES

Article 10 increases the maximum fine under Article 136 of the principal Law for failing to deliver any return or statement etc as required under the principal Law from level 3 on the standard scale to level 4 on the standard scale, that is from £2,000 to £5,000.

Article 11 amends Article 137 of the principal Law concerning the penalties for fraudulently making incorrect returns or statements as required under the Law so that a person is liable to an unlimited fine and to imprisonment for a maximum term of 15 years. The amendments also increase the maximum fine for offences of negligence under the Article from level 3 on the standard scale to level 4.

Article 12 repeals Article 138 that makes it an offence to assist in or induce the making of false returns, etc. Instead, an aiders and abettors provision, applying to offences committed fraudulently under Article 137, is inserted into Article 137.

Article 13 provides that Part 4 comes into force on 1st January 2009.

PART 5 – EXEMPTION THRESHOLD FOR CHILD DAY CARE

Article 14 amends Article 92B of the principal Law so that amounts paid to a nanny accredited by the Jersey Child Care Trust for the care of a child may be taken into account in calculating the relevant threshold exemption for income tax.

Article 15 provides that Part 5 has effect for the year of assessment 2008 and ensuing years.

PART 6 – MISCELLANEOUS

Article 16 inserts Article 17B in the principal Law. Article 17B requires the Comptroller to deduct £20 from the amount of tax payable by a person if that person prepares and delivers to the Comptroller an Article 16 return in electronic format. The deduction does not apply if a person acting in the course of his or her profession prepares and furnishes such a return on behalf of someone else.

Article 17 amends Article 41H of the principal Law so as to retain the current year assessment of a new taxpayer (Very broadly, a new taxpayer is a person who is assessed for tax for the first time in Jersey in or after 2006.) Currently assessment of such a tax payer switches from a current year to previous year basis after 6 to 7 years.

Article 18 inserts Article 49A into the principal Law. Article 49A provides that no deduction shall be allowed in respect of any payment that constitutes a criminal offence in Jersey or would be a criminal offence in Jersey if paid outside Jersey or which is induced by a blackmail demand or similar.

Article 19 amends Article 51 of the principal Law so as to provide that if rent or other payments for use of premises include payments in respect of use of furniture (such as payments for premises in lodging houses), such payments are taxed under Schedule A including the payments for use of furniture.

Article 20 amends Article 115 of the principal Law so as to clarify the current exemption from income tax in respect of charitable purposes and to include specifically property of a non-profit organization established solely or primarily for cultural purposes and whose funds whole or mainly come from the States.

Article 21 amends Article 118B of the principal Law so that dividends issued by a Jersey resident company charged to tax under Schedule D at the standard rate or at 10% are no longer exempt from income tax under that Schedule.

Article 22 provides that Part 5 has effect from the year of assessment 2009 and ensuing years.

PART 7 – CLOSING

Article 23 sets out the title of this draft Law.



Jersey

DRAFT INCOME TAX (AMENDMENT No. 31)(JERSEY) LAW 200

Arrangement

Article

PART 1

PRELIMINARY

1 Interpretation

PART 2

PENSIONS

2 Article 3 amended
3 Article 131 amended
4 Article 131B amended
5 Article 131CA amended
6 Schedule 2 amended
7 Years of assessment for which Part 2 has effect

PART 3

INCOME TAX EXEMPTION INCREASES

8 Article 92A amended
9 Years of assessment for which Part 3 has effect

PART 4

PENALTIES

10 Article 136 amended
11 Article 137 amended
12 Article 138 repealed
13 Years of assessment for which Part 4 has effect

PART 5

EXEMPTION THRESHOLD FOR CHILD DAY CARE

14 Article 92B amended
15 Years of assessment for which Part 5 has effect

PART 6

MISCELLANEOUS

<u>16</u>	<u>Article 17B inserted</u>
<u>17</u>	<u>Article 41H amended</u>
<u>18</u>	<u>Article 49A inserted</u>
<u>19</u>	<u>Article 51 amended</u>
<u>20</u>	<u>Article 115 amended</u>
<u>21</u>	<u>Article 118B amended</u>
<u>22</u>	<u>Years of assessment for which Part 5 has effect</u>

PART 7

CLOSING

<u>23</u>	<u>Citation</u>
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Jersey

DRAFT INCOME TAX (AMENDMENT No. 31)(JERSEY) LAW 200

A LAW to amend further the Income Tax (Jersey) Law 1961.

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

PRELIMINARY

1 Interpretation

In this Law “principal Law” means the Income Tax (Jersey) Law 1961^[1].

PART 2

PENSIONS

2 Article 3 amended

In Article 3(1) of the principal Law after the definition “permanent establishment” there shall be inserted the following definition –

“ ‘related earnings’ means any income assessed to tax being –

- (a) income arising in respect of emoluments from an office or employment held by an individual including a pensionable office or employment, or
- (b) income which is charged under Schedule D and is immediately derived by an individual from the carrying on or exercise by the individual of his or her trade, profession or vocation, either as an individual or, in the case of a partnership, as a partner personally acting therein;”.

3 Article 131 amended

In Article 131 of the principal Law after paragraph (1)(a) there shall be inserted the following sub paragraph –

- “(ab) any ordinary annual contribution by an employed person aggregated with any premiums paid by that person under an annuity contract as defined in Article 131B, or to a retirement annuity trust scheme as defined in Article 131CA, shall not exceed–
- (i) £250,000 in any year of assessment, or
 - (ii) the employed person’s related earnings during the year of assessment, whichever is the lower amount;”.

4 Article 131B amended

In Article 131B of the principal Law–

- (a) in paragraph (2) after the words “deducted from” there shall be inserted the words “any of”;
- (b) for paragraph (3)(a) there shall be substituted the following sub-paragraph –
 - “(a) the contract is made by an individual who is ordinarily resident in Jersey with a company to which this Article applies;”;
- (c) for paragraph (3)(b)(vi) there shall be substituted the following clause–
 - “(vi) for the payment by the individual of the aggregate of –
 - (A) any premium,
 - (B) any other premium under a contract of a similar nature,
 - (C) any contribution to a retirement annuity trust scheme as defined in Article 131CA, and
 - (D) any ordinary annual contribution to a superannuation fund or pension scheme approved by the Comptroller under Article 131,to exceed £250,000 in any year of assessment or the individual’s related earnings during that year, whichever is the lower amount;”;
- (d) for paragraph (3)(c) there shall be substituted the following sub-paragraphs –
 - “(c) the contract includes provision securing that no annuity payable under it shall be capable in whole or in part of surrender, commutation or assignment except to the extent that it makes provision for commutation of all or part of an annuity in accordance with any of sub-paragraphs (d), (e), (f) and (g);
 - (d) the individual may elect to receive a lump sum not exceeding 30% of the amount of the remaining part of the fund in respect of which annuities are payable to him or her following up to 3 elections from the date an annuity becomes payable under the contract if the individual were to retire at that date until the date an annuity is first paid, provided that the sums commuted following 2 or more elections do not, when aggregated, exceed 30% of the remaining part of the fund;
 - (e) if the individual retires for reasons of serious ill health, as defined in the contract, he or she may elect to commute to a lump sum the whole of the fund in respect of which annuities are payable to him or her;
 - (f) if the individual elects to receive on retirement a lump sum by way of commutation of the whole of the fund in respect of which annuities are payable to him or her, the value of the fund does not exceed £30,000 at the time of the election;
 - (g) where an individual has died following his or her retirement, a lump sum by way of commutation of the whole of the fund in respect of which annuities were payable to the individual may be paid to the individual’s surviving spouse or a person dependent on the individual, provided that the value of the fund does not exceed £30,000 at the time the lump sum is paid.”;

- (e) in paragraph (4)(a) there shall be deleted the words “who died prior to the date on which the annuity would have become payable”;
- (f) after paragraph (4)(g) there shall be added the following sub-paragraph –
 - “(ga) for the individual’s surviving spouse or dependent having accrued rights under a contract to require a sum representing some or all of those rights to be paid to a retirement annuity trust scheme as defined in Article 131CA”;
- (g) after paragraph (4)(h) there shall be added the following clause–
 - “(i) for the payment of contributions by any person from whom the individual who is party to the contract receives relevant earnings.”;
- (h) after paragraph (8) there shall be inserted the following paragraphs–
 - “(8A) Income tax shall be charged on a person to whom has been paid a lump sum –
 - (a) commuted by virtue of paragraph (3)(f) or (g); or
 - (b) following the death of an individual,
 at half the standard rate in force for the year in which the payment is made and the amount so charged to tax shall not be treated as income for any other purpose of this Law.
 - (8B) No income tax shall be charged in respect of a lump sum commuted by virtue of paragraph (3)(d) or (e).
 - (8C) No tax shall be charged in respect of so much of a lump sum paid to a beneficiary under the rules of the scheme that does not exceed 5 times the individual’s annual relevant earnings at the time of his or her death or his her actual relevant earnings, before deduction of tax, during the 12 months immediately prior to death, whichever is the greater amount.”;
- (i) for paragraph (9) there shall be substituted the following paragraph–
 - “(9) Notwithstanding paragraph (2), no deduction shall be made in respect of any premiums to the extent that the payment by the individual of the aggregate of –
 - (a) any premium;
 - (b) any other premium under a contract of a similar nature;
 - (c) any contribution to a retirement annuity trust scheme as defined in Article 131CA and
 - (d) any ordinary annual contribution to a superannuation fund or pension scheme approved by the Comptroller under Article 131,
 exceeds £250,000 in any year of assessment or the individual’s related earnings during that year, whichever is the lower amount.”.

5 Article 131CA amended

In Article 131CA of the principal Law–

- (a) for paragraph (3)(a) there shall be substituted the following sub-paragraph –
 - “(a) contributions are paid into the scheme by an individual who is ordinarily resident in Jersey”;
- (b) for paragraph (3)(d) there shall be substituted the following sub-paragraph –
 - “(d) under the scheme –
 - (i) the primary beneficiary has the right to elect to receive, by way of commutation of part of the annuity equivalent payable to that beneficiary, a

- lump sum not exceeding 30% of the amount of the remaining part of the fund in respect of which annuity equivalents are payable,
- (ii) the right described in clause (i) is dependent on the exercise by the primary beneficiary of up to 3 elections from the date an annuity equivalent first becomes payable if the individual were to retire at that date until the date an annuity equivalent is first paid,
 - (iii) the sums commuted following 2 or more elections described in clause (ii) do not, when aggregated, exceed the limit described in clause (i),
 - (iv) payment of the first annuity equivalent to a primary beneficiary and, where applicable, to a secondary beneficiary, is made according to a calculation approved by the Comptroller and thereafter according to a calculation made every 3 years approved by the Comptroller;”;
- (c) for paragraph (3)(g)(vi) there shall be substituted the following clause–
- “(vi) for the payment by the individual of the aggregate of –
 - (A) any contribution,
 - (B) any other contribution to a retirement annuity trust scheme of a similar nature,
 - (C) any premium under an annuity contract as defined in Article 131B and
 - (D) any ordinary annual contribution to a superannuation fund or pension scheme approved by the Comptroller under Article 131, to exceed £250,000 in any year of assessment or the individual’s related earnings during that year, whichever is the lower amount;”;
- (d) for paragraphs (4)(c) and (4)(d) there shall be substituted the following subparagraphs –
- (c) for the primary beneficiary, having accrued rights under the scheme, to require or request a sum representing those accrued rights to be paid to –
 - (i) another retirement annuity trust scheme,
 - (ii) the annuity fund of an annuity contract as defined in Article 131B, or
 - (iii) a fund or scheme approved by the Comptroller in accordance with Article 131;
 - (d) for the secondary beneficiary, having a accrued rights under the scheme, to require a sum representing some or all of those accrued rights to be paid by the trustees of the scheme to another retirement annuity trust scheme;
 - (e) for the payment of contributions by any person from whom the primary beneficiary receives relevant earnings;
 - (f) for the primary beneficiary to elect to commute to a lump sum the whole of the fund in respect of which annuity equivalents are payable to him or her if he or she retires for reasons of serious ill health, as defined in the scheme;
 - (g) for the primary beneficiary to elect to receive, on retirement, a lump sum by way of commutation of the whole of the fund in respect of which annuity equivalents are payable to him or her, provided that the value of the fund does not exceed £30,000 at the time of the election;
 - (h) for a lump sum by way of commutation of the whole of the fund in respect of which annuity equivalents were payable to the primary beneficiary to be paid to one or more secondary beneficiaries if a primary beneficiary dies following his or her retirement, provided that the value of the fund does not exceed £30,000 at the time the lump sum is paid.”;
- (e) after paragraph (8) there shall be inserted the following paragraph–

“(8A) Income tax shall be charged on a primary beneficiary or secondary beneficiary in respect of a lump sum commuted by virtue of paragraph (4)(g) or (h) at half the standard rate in force for the year in which the payment is made and the amount so charged to tax shall not be treated as income for any other purpose of this Law.

(8B) No income tax shall be charged in respect of a lump sum commuted by virtue of paragraph (3)(d)(i) or (4)(f)”;

(f) For paragraph (9) there shall be substituted the following paragraphs–

“(9) Where a lump sum becomes payable to a secondary beneficiary, or to the primary beneficiary’s estate after commencement of an annuity equivalent to the primary beneficiary, income tax in respect of that lump sum shall be charged on the trustees of the scheme subject to paragraph (9A).

(9A) No tax shall be charged on the trustees of the scheme in respect of so much of a lump sum paid to the secondary beneficiary by virtue of paragraph (3)(g)(iii) that does not exceed 5 times the primary beneficiary’s annual relevant earnings at the time of his or her death or his or her actual relevant earnings, before deduction of tax, during the 12 months immediately prior to death, whichever is the greater amount.”.

(g) for paragraph (12) there shall be substituted the paragraph–

“(12) The circumstances referred to in paragraph (2) are that no deduction shall be made in respect of any contributions to the extent that payment by the individual of –

- (a) any contribution;
- (b) any other contribution to a retirement annuity trust scheme of a similar nature;
- (c) any premium under an annuity contract as defined in Article 131B; and
- (d) any ordinary annual contribution to a superannuation fund or pension scheme approved by the Comptroller under Article 131,

when aggregated, exceeds £250,000 in any year of assessment or the individual’s related earnings during that year, whichever is the lower amount.”.

6 Schedule 2 amended

In paragraph 1 of Schedule 2 to the principal Law there shall be inserted after subparagraph (a) the following sub-paragraph –

“(aa) premiums under an annuity contract as defined in Article 131B or contributions to a retirement annuity trust scheme as defined in Article 131CA”.

7 Years of assessment for which Part 2 has effect

This Part has effect for the year of assessment 2009 and ensuing years.

PART 3

INCOME TAX EXEMPTION INCREASES

8 Article 92A amended

In Article 92A of the principal Law–

- (a) in paragraph (2)(iii) for the amount “£19,890” there shall be substituted the amount “£20,280”;
- (b) in paragraph (3)(c) for the amount “£2,890” there shall be substituted the amount “£2,940”;

- (c) in paragraph (6)(c) for the amount “£12,400” there shall be substituted the amount “£12,650”;
- (d) in paragraph (7)(c) for the amount “£1,430” there shall be substituted the amount “£1,460”.

9 Years of assessment for which Part 3 has effect

This Part has effect for the year of assessment 2009 and ensuing years.

PART 4

PENALTIES

10 Article 136 amended

In Article 136(1) of the principal Law, for the words “level 3” there shall be substituted the words “level 4”.

11 Article 137 amended

In Article 137 of the principal Law—

- (a) for paragraphs (1) and (2) there shall be substituted the following paragraphs—

- “(1) If any person fraudulently or negligently –
 - (a) delivers any incorrect statement for the purposes of Article 16;
 - (b) makes any incorrect statement, return or declaration in connection with any claims for any allowance, deduction or relief;
 - (c) submits to the Comptroller any incorrect accounts in connection with the ascertainment of his or her liability to income tax,the person shall be guilty of an offence.
- (2) If any person fraudulently or negligently delivers or furnishes any incorrect statement, list, return, schedule or certificate under any provision of this Law other than Article 16 the person shall be guilty of an offence.
- (2A) Where an offence under paragraph (1)—
 - (a) is committed negligently, the person shall be liable to a fine in accordance with paragraph (2B);
 - (b) is committed fraudulently, the person shall be liable to imprisonment for a term of 15 years and to a fine.
- (2B) The fine for the purposes of paragraph (2A) is a fine of the aggregate of—
 - (a) level 4 on the standard scale, and
 - (b) twice the amount of the difference between the amount of income tax payable on the assumption that the statement, return, declaration, or accounts as delivered, made or submitted by the person were correct and the amount of income tax which would have been payable if the statement, return, declaration or accounts had been correct.
- (2C) Where an offence under paragraph (2)—
 - (a) is committed negligently, the person shall be liable to a fine of level 4 on the standard scale;
 - (b) is committed fraudulently, the person shall be liable to imprisonment for a term of

15 years and to a fine”;

- (b) in the opening words of paragraph (4)–
 - (i) after the words “paragraph (1)” there shall be inserted the word “negligently”,
 - (ii) the words “for any form of fraud or wilful neglect” shall be deleted;
- (c) in paragraph (4)(b) the words “fraud or” shall be deleted;
- (d) after paragraph (4) there shall be inserted the following paragraph–

“(4A) Any person who aids, abets, counsels or procures the commission of an offence that is committed fraudulently under this Article shall also be guilty of the offence and liable in the same manner as a principal offender to the penalty provided for in paragraph (2A)(b), or (2C)(b), as the case requires”.

12 Article 138 repealed

Article 138 shall be repealed.

13 Years of assessment for which Part 4 has effect

This Part shall come into force on 1st January 2009.

PART 5

EXEMPTION THRESHOLD FOR CHILD DAY CARE

14 Article 92B amended

In Article 92B of the principal Law–

- (a) in paragraph (1)(a) after the words “registered day carer” there shall be inserted the words “or nanny accredited by the Jersey Child Care Trust”;
- (b) in paragraph (3)(a) there shall be inserted after the words “registered day carer” the words “or name, address and reference number of the nanny accredited by the Jersey Child Care Trust, as the case requires”.

15 Years of assessment for which Part 5 has effect

This Part has effect for the year of assessment 2008 and ensuing years.

PART 6

MISCELLANEOUS

16 Article 17B inserted

After Article 17A there shall be inserted the following Article–

“17B Tax credit for electronic delivery of Article 16 statement

- (1) Subject to the provisions of this Article, the Comptroller shall deduct £20 from the amount of tax payable by a person in respect of a year of assessment if, in respect of that

year of assessment, the person has prepared and delivered to the Comptroller a statement under Article 16 that complies with–

- (a) such requirements of this Law; and
- (b) such requirements of Part 3 of the Electronic Communications (Jersey) Law 2000 [2],

as are relevant to that statement.

- (2) If the amount of tax payable by a person described in paragraph (1) is less than £20, the Comptroller shall deduct only such amount as is necessary to bring the tax payable by that person to nothing.
- (3) The Comptroller shall not make a deduction under paragraph (1) or (2) if the person who prepared and delivered the statement under Article 16 was a person whose business or profession includes the preparation of such statements and, in the course of that person's business or profession, was acting on behalf of another person."

17 Article 41H amended

In Article 41H of the principal Law–

- (a) after paragraph (1) there shall be inserted the following paragraph–

“(1A) A person to whom this Article applies is referred to in this Article as a new taxpayer.”.

- (b) paragraphs (2), (3), (4), (5) and (11) shall be repealed;
- (c) in paragraph (6) for the words “A person described in paragraph (3) or (4)” there shall be substituted the words “A new taxpayer”;
- (d) in paragraph (10) for the opening words there shall be substituted the following words–

“This Part shall apply to a new taxpayer with the following modifications –”.

18 Article 49A inserted

After Article 49 there shall be inserted the following Article–

“49A Deductions in respect of corrupt payments

Notwithstanding anything in this Law to the contrary, in computing any amount chargeable to tax, no deduction shall be allowed in respect of –

- (a) any sum the payment of which is a criminal offence in Jersey;
- (b) any sum paid in a country or territory outside Jersey which, if paid in Jersey, would be a criminal offence in Jersey;
- (c) any sum induced by a demand, such demand constituting the offence of blackmail or a cognate offence.”.

19 Article 51 amended

In Article 51 of the principal Law–

- (a) in paragraph (1)(a)(iii) there shall be added after the words “of that land” the words “including any receipts arising from a licence to occupy land”;
- (b) for paragraph (3) there shall be substituted the following paragraph–

“(3) In any case where a sum (whether rent or otherwise) is payable in respect of the use of any premises and the tenant, leaseholder, licensee or other person is entitled also to use of the furniture, any sum payable in respect of use of the furniture shall also be chargeable under this Schedule.”;

(c) paragraphs (4) and (5) shall be repealed.

20 Article 115 amended

For Article 115(a) of the principal Law there shall be substituted the following paragraph–

“(a) any income derived from any of the following –

- (i) the property of a corporation, association or trust established in Jersey for any of the following –
 - (A) the advancement of education,
 - (B) the relief of poverty,
 - (C) the furtherance of religion,
 - (D) a purpose beneficial to the whole community,
 - (E) the service of any church or chapel or any building used solely for the purpose of divine worship,
- (ii) the property of a non-profit organization within the meaning of the Non-Profit Organizations (Jersey) Law 2008^[3] where that organization –
 - (A) is established solely or primarily for cultural purposes, and
 - (B) receives funds wholly or mainly from the States of Jersey in pursuance of those purposes,

in so far as such income is applied to those purposes;”.

21 Article 118B amended

For Article 118B(1)(b) of the principal Law there shall be substituted the following sub-paragraph –

“(b) cash dividends paid and stock dividends issued by a company regarded as resident in Jersey except a company which is charged to tax under Schedule D at the standard rate or at the rate of 10%.”.

22 Years of assessment for which Part 5 has effect

This Part has effect for the year of assessment 2009 and ensuing years.

PART 7

CLOSING

23 Citation

This Law may be cited as the Income Tax (Amendment No. 31) (Jersey) Law 2009.

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- [1] *chapter 24.750*
- [2] *chapter 04.280*
- [3] *L.30/2008*