

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY T.M. PITMAN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 2nd FEBRUARY 2010**

Question

"Given that taxation rates are in line for review, based on current figures, would the Minister advise what increase in revenue would be achieved by the introduction of a progressive tax rate of either 25% or 30% being implemented for those earning more than £100,000 per annum?"

Answer

Progress and outcomes from the Comprehensive Spending Review will be fundamental in deciding whether tax increases will be needed to address the potential structural deficit.

Any consideration given to raising revenue through increased taxation will be assessed on a range of criteria including distributional (who pays how much more/less), economic and administrative impacts.

It is not clear whether the Deputy is asking about the effect of an increase in the rates of tax on all earnings for those earning more than £100,000, or an increase in the rate of tax just on earnings above £100,000.

Based on 2008 assessments, if a 25% rate of tax were introduced on taxable income over £100,000, then this would increase revenue by £12.3m. If a 30% rate of tax were introduced this would increase revenue by £25m.