

STATES OF JERSEY



GST ON MENSTRUAL SANITARY PRODUCTS (P.66/2022) – RESCINDMENT

**Lodged au Greffe on 2nd August 2023
by the Minister for Treasury and Resources
Earliest date for debate: 12th September 2023**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to refer to their Act of 28th April 2022 and agree to rescind their decision to exempt Goods and Services Tax from menstrual sanitary products and continue the implementation of a scheme by the Council of Ministers to provide free products to those who need them.

MINISTER FOR TREASURY AND RESOURCES

Note: In accordance with Standing Order 23, this proposition has been signed by at least 3 members of the States, in addition to the proposer.

1. Deputy K.L. Moore of St Mary, St Ouen and St Peter
2. Deputy M.E. Millar of St John, St Lawrence and Trinity
3. Deputy K. Wilson of St Clement

REPORT

Access to period products is an issue of growing global interest. There are a range of reasons why people may struggle to access the period products they need. These include not being able to afford them; coercive and abusive relationships; health conditions resulting in painful and heavy periods; homelessness; not being able physically to obtain products whilst at work or in education; and stigma and embarrassment around menstruation.

Following the 2022 General Election, the new Council of Ministers therefore took immediate steps to ensure that women, girls and anyone else who needs them, can have reasonable access to free period products as and when they are required.

This scheme was initially piloted across schools in Jersey before being extended to make free period products available in the wider community. Products can currently be accessed at locations across the Island, including public libraries, public sports centres and youth clubs. Early indications suggest that the scheme is operating well, and the Council of Ministers remain committed to monitoring performance to ensure that improvements can be made where necessary.

A public consultation on access to free period products closed at the end of November 2022 and the findings, together with initial feedback from the pilot, will be used to inform the roll-out of the scheme more widely during 2023.

Given that period products are now available for free, the Council of Ministers consider it unnecessary to also exempt from Goods and Services Tax (GST) the commercial supply of period products. The intention and purpose of P.66/2022 has been met and surpassed by the Government.

Exempting (or zero-rating) goods from GST creates administrative burdens and costs both for retailers and Government. Having made provision for access to free supply (and thus dealt with the immediate issue of affordability) any persuasive argument for a tax exemption falls away in favour of maintaining Jersey's long-standing tax-policy principles: keeping GST low (at 5%), broad (with few exemptions) and, consequently, simple (so minimising compliance and administration costs).

In addition, further information became available in November 2022 about the lack of impact of the corresponding measure in the United Kingdom, where a 5% rate of Value Added Tax (VAT) on such products had been reduced to 0%. New research on the UK's experience of VAT zero-rating period products using Office for National Statistics data suggests that, at best, only 20% of the tax saving was realised by consumers (please see the link in the Appendix). In practice, this represents a 1% saving on the cost of these products. While the Jersey experience may be different, it is unclear whether cost savings would materialise to any noticeable extent for Islanders and visitors who still choose to buy them.

Recognising the challenges and uncertainties of GST zero-rating, the Council of Ministers consider that providing free products is a better and more impactful way of guaranteeing access to free period products for those who need them, and therefore having the best immediate and long-term impact that will benefit Islanders. Accordingly, Members are asked to rescind the decision of the previous Assembly in favour of endorsing the scheme to provide free products to anyone who needs them.

Technical Note

Relief from GST in Jersey is provided in two ways:

- **Zero-Rating:** If goods (and some services) are zero-rated, they are not charged GST on importation and will remain zero-rated through the supply chain (importer to wholesaler to retailer to customer). The ultimate consumer pays no GST and any GST incurred in making the supply (i.e., “input tax”) is reclaimable by the registered businesses involved. Businesses need to isolate zero-rated goods in their accounting systems.
- **Exemption:** If certain services (and some goods) are exempt from GST, the supplier of the service will not charge GST but equally will not be able to reclaim GST input(?) tax on the goods and services they use in supplying that service. Where a business is not wholly involved in making exempt supplies, rules exist restricting the amount of GST they can reclaim.

Appendix: Tax Policy Associates report on the impact of VAT zero-rating period products

[How the abolition of the “tampon tax” benefited retailers, not women – Tax Policy Associates Ltd](#)

- (a) the bay from development and other activities not suitable to the area.

Financial and staff implications

There are no financial or staff implications from this decision.