

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES BY DEPUTY  
S.S.P.A. POWER OF ST. BRELADE**

**ANSWER TO BE TABLED ON TUESDAY 13th MAY 2008**

**Question**

Will the Minister advise whether taxi drivers on a Private Hire company plate controlled by a company owing 30 or more plates with a turnover of more than £300,000, will have to levy GST, even though they may or may not own the vehicle they drive and, if so, does the Minister not consider that, given many Public Rank taxi drivers as well as Private Hire taxi drivers are self-employed and will be GST exempt as their turnover will be less than the de minimis £300,000 this could disadvantage company plate drivers?

**Answer**

The legal requirements to register for GST are the same for taxi drivers as they are for any other business activity – if they make supplies in the course of, or furtherance of, business in Jersey and their taxable turnover exceeds £300,000 per annum - they must register. This applies whether they are “owner drivers” operating as sole proprietors or whether they are structured as a corporate entity. As a result most self-employed taxi drivers will not be required to be registered for GST.

Taxi companies with a taxable turnover in excess of £300,000 p.a., just as any other registered business, will have to account for GST on fares collected but will be able to offset the GST charged on expenditure (vehicles purchase; repairs/servicing and fuel costs). The non registered taxi driver will not have to account for tax on fares but will not be able to recover any GST on their expenditure (and as a result some may apply for a voluntary registration). Since the majority of their operating expenses are likely to suffer GST which they cannot recover unless they are registered (and charge GST), they are likely to have to reflect these costs in fares which match those of the registered taxi driver.

I am aware that the taxi drivers held a meeting in April 2008 and as result some have approached the Income Tax Office with their concerns. Although they came to the table very late I understand the dialogue is ongoing and each application is being dealt with on a case by case basis.