

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 29th MAY 2012**

Question

Will the Minister justify the dichotomy between the following two parts of his answer to question 6863 on 15th May 2012 – “*The Minister remains committed to bringing forward measures to deal with the issue of nonfinance, non-locally owned businesses*” and “*it will not be possible to tax the majority of companies in Jersey and maintain a compliant regime*”?

Since both a payroll tax and an office space tax have been ruled out along with deemed distribution, what options remain?

Does the Minister still consider that these companies can be taxed without discriminating between local and non-locally owned companies?

Answer

As stated in the answer to question 6863 on 15th May 2012 the Minister remains committed to bringing forward measures to deal with the issue of non-finance businesses and he plans to issue a report before the States summer break, with proposals to follow in the Budget statement. States Members will be fully briefed on the work done and options considered at the time when the report is issued. However, as was also made clear in the answer to question 6863, the backdrop of continued developments in international standards on taxation and the challenging economic environment means that this is a difficult exercise and there will be no perfect solution.

Analysis of the implications of implementing measures is on-going and will be included in the planned report. As previously advised, options under consideration include the extension of the 10% or 20% tax bands.

Finally, as stated by the Assistant Minister for Treasury and Resources on 6th December 2011: “whichever option is chosen cannot discriminate between locally-owned and foreign-owned companies”. Consistent with this statement, whatever measures may finally be introduced, they will apply without discriminating between those companies which are locally owned and those which are non-locally owned.