

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY THE DEPUTY OF ST. JOHN
ANSWER TO BE TABLED ON TUESDAY 12TH APRIL 2016**

Question

Following changes made to the personal tax system over the last 10 years, could the Minister please provide a statement of:

1. any actual loss of revenue due to allowances within the marginal relief tax system and the dates at which allowances were changed;
2. any actual loss of revenue due to the allowances within the 20-means-20 tax system and the dates at which allowances were changed;
3. any actual loss of revenue due to the change in the marginal rate; and
4. any actual loss of revenue due to changes in stamp duty?

Answer

The Deputy's question has required a significant amount of work within the Taxes Office, some of which is still ongoing. The answers to the first three parts are expected to be provided over the course of the next two States sittings. The answer to the fourth part is below.

Question 4: any actual loss of revenue due to changes in stamp duty?

The following table summarises the significant changes made to stamp duty since 2007:

Year	Changes made
2007	No significant change to stamp duty
2008	Threshold for first time buyer ("FTB") relief extended from £250,000 to £300,000 (i.e. reduced stamp duty for FTB purchases of property between £250,000 and £300,000)
2009	Stamp duty for FTBs on properties not exceeding £300,000 reduced to nil. Stamp duty reduced for FTBs on properties not exceeding new FTB relief threshold of £400,000
2010	No significant changes to stamp duty
2011	Increase in stamp duty rates on all properties worth more than £1m (effective from 1 June 2011)
2012	FTB relief threshold increased to £450,000
2013	No significant changes to stamp duty
2014	No significant changes to stamp duty
2015	(1) Phase out FTB relief on properties between £400,000 and £450,000 (2) Increase stamp duty rates on residential properties worth more than £1m (3) Reduce the stamp duty on all residential mortgage debt in respect of properties worth not more than £400,000

The stamp duty change made in the 2016 Budget (to reduce the stamp duty on all residential mortgage debt in respect of properties worth not more than £450,000) has not been included above as the resulting financial cost will not be available until 2017.

The financial implications of these changes are outlined in the table below:

Change made	Financial implications per year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
2008 – extend FTB relief threshold from £250,000 to £300,000	N/A	(£85,000)	(£59,000)	(£67,000)	(£49,000)	(£40,000)	(£79,000)	(£63,000)	(£53,000)	(£495,000)
2009 – SD for FTBs on properties not exceeding £300,000 reduced to nil. SD reduced for FTBs on properties not exceeding new FTB relief threshold of £400,000	N/A	N/A	(£324,000)	(£394,000)	(£444,000)	(£409,000)	(£520,000)	(£577,000)	(£468,000)	(£3,136,000)
2011 – increase SD rates on all properties worth more than £1m (from 01/06/11)	N/A	N/A	N/A	N/A	£543,000	£847,000	£428,000	£2,246,000	£2,810,000	£6,874,000
2012 – increase FTB relief threshold to £450,000	N/A	N/A	N/A	N/A	N/A	(£233,000)	(£276,000)	(£314,000)	(£166,000)	(£989,000)
2015 – increase SD on residential properties worth more than £1m	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£1,387,000	£1,387,000
2015 – phase out FTB relief between £400,000 and £450,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£69,000	£69,000
2015 – reduction of SD on all residential mortgage debt on properties worth not more than £400,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(£750,000)*	(£750,000)*
Total	N/A	(£85,000)	(£383,000)	(£461,000)	£50,000	£165,000	(£447,000)	£1,292,000	£2,829,000	£2,960,000

* This measure has not cost the States more than £750,000. Under the current records maintained by the Judicial Greffe, the cost cannot be more accurately calculated without reviewing the source documentation for approximately 1,500 transactions.