

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY THE DEPUTY OF ST. MARY  
ANSWER TO BE TABLED ON TUESDAY 30th NOVEMBER 2010**

**Question**

Further to page 60 of the budget report in which the Minister writes that “certain non-resident landlords with rental income arising in Jersey are not fulfilling their tax obligations”, can he inform members:

- (a) to how many landlords this refers?
- (b) to how many tenancies this refers?
- (c) what is the likely yield of closing this loophole?

**Answer**

There are two specific areas where non resident landlords are not fulfilling their Jersey tax obligations.

The first point of concern involves those landlords who are aware that if they do not appoint a managing agent, and they ensure they maintain the annual rent below £25,000, the tenant will not be required under existing provisions to withhold tax from the rent payable. There are approximately ten such cases known of (involving the same number of tenancies) and the total loss of tax per annum in respect of these cases would be approximately £30,000 if the new provision is not introduced.

The second point of concern involves those landlords who are now paying tax on current rental streams but are refusing to settle arrears of tax that accumulated prior to the introduction of the scheme. The new provisions allow the Comptroller to direct the tenant or managing agent to deduct a percentage greater than 20% from the rents paid in order to settle the arrears of tax owing. It is estimated there are a further 5 to 10 cases of this nature and the anticipated yield from the recovery of these arrears is likely to be around £150,000.