

STATES OF JERSEY



Jersey

DRAFT INCOME TAX (AMENDMENT – STAGE 2 OF INDEPENDENT TAXATION) (JERSEY) LAW 202-

**Lodged au Greffe on 16th January 2024
by the Minister for Treasury and Resources
Earliest date for debate: 27th February 2024**

STATES GREFFE



Jersey

DRAFT INCOME TAX (AMENDMENT – STAGE 2 OF INDEPENDENT TAXATION) (JERSEY) LAW 202-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources, the provisions of the Draft Income Tax (Amendment – Stage 2 of Independent Taxation) (Jersey) Law 202- are compatible with the Convention Rights.

Signed: **Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter**

Minister for Treasury and Resources

Dated: 15th January 2024

REPORT

Executive summary

The introduction of Independent Taxation in Jersey is long overdue. The adoption of this draft Law would mark the final stage in the process of moving away from the outdated system of taxing couples differently depending on their marital status.

An overnight switch to Independent Taxation would have meant thousands of lower earners would have lost out financially. To address this, a new ‘Compensatory Allowance’ has been developed to help couples gradually ease into Independent Taxation.

In addition, this draft law lets couples who currently complete one tax return to be able to complete a joint tax return. The Minister believes this untangles the outcome of a conflicting States’ vote in July 2023 ([P.32/2023](#)).

Introduction

Independent Taxation was a key deliverable in the previous Government Plan 2023-26 and in the Treasury Delivery Plan 2023. The current system, sometimes called ‘Married Man’s Taxation’, has been a part of Jersey’s tax law since 1928 when income tax was first introduced, mirroring UK tax law at that time.

Until recently, a married woman’s income was always treated as the husband’s income; the filing of the annual tax return was the husband’s duty; the tax liability was in the husband’s name only; and a married woman, when trying to access tax information, would be denied that access unless her husband provided express permission. Many similar inequities apply to same-sex marriages and those in civil partnerships.

Currently, a spouse or civil partner (strictly Spouse B or Partner B in law) receives only their ITIS Effective Rate to enable deductions from salary (if applicable). They are not informed of the tax liability, nor how the liability has been calculated, nor how their ITIS Effective Rate has been calculated. Furthermore, they have no right of appeal against the ITIS Effective Rate.

In addition to sex discrimination and the perpetuation of some of the discriminations which exist between married and co-habiting people, the current system is also ageist in its treatment of same-sex couples where the older person is routinely deemed to be Spouse A.

Few jurisdictions around the world continue to impose this system of taxation. The UK introduced Independent Taxation in 1990. Extensive consultation¹ on modernising this aspect of the tax system was undertaken between 2017 and 2019, with Independent Taxation being the preferred basis of taxation for the majority of respondents.²

The introduction of Independent Taxation would mark a pivotal moment in the ongoing reform of Jersey’s tax system and affords equal rights and responsibilities to all individuals, regardless of their marital status, gender, or age. Jersey also has a commitment to eliminate Married Man’s Taxation as part of its adoption of CEDAW.

Background

Following detailed public consultation, the then Minister for Treasury and Resources announced in March 2019 her intention to end the taxation of married couples and couples in civil partnerships.

¹ See **Appendix 1** for a summary of the consultation and engagement that has taken place since 2017.

² [Personal Tax Reforms \(P.119/2019\)](#), Annex B, pp.20-21.

In November 2019, the States Assembly agreed a proposed roadmap for changes to Jersey's personal tax system, ultimately to introduce a system of Independent Taxation. The Government Plan 2021-24 made a commitment to a staged introduction of Independent Taxation starting in the year of assessment 2022.

Stage 1 of the Law

In September 2021, the [Income Tax \(Amendment – Stage 1 of Independent Taxation\) \(Jersey\) Law 2021](#) was adopted by the States, which marked the introduction of the first stage of Independent Taxation. It contained two phases: the first phase provided Independent Taxation for the year of assessment 2022 for:

1. Individuals in Jersey who married or entered into civil partnerships after 31 December 2021;
2. Couples who were married or in civil partnerships who arrived in Jersey after 31 December 2021; and
3. Any couples who were married or in civil partnerships who had elected for separate assessments for the year of assessment 2020 and had subsequently elected to move into Independent Taxation (the voluntary 'pilot' group).³

The second phase allowed existing couples voluntarily to elect for Independent Taxation for the year of assessment 2023. Elections for both phases were irrevocable.

With the adoption of that law, a line has been drawn that will result in an ever-decreasing pool of individuals whose marital status determines their tax treatment. The purpose of this draft Law is to finish the process already under way, providing Jersey with a personal tax system that is fit for the 21st century.

Stage 2 of the Law

On 6 June 2023 the Minister for Treasury and Resources lodged the [Draft Income Tax \(Amendment – Stage 2 of Independent Taxation\) \(Jersey\) Law 202-](#) (P.41/2023), which was due to be debated on 18 July 2023. The draft legislation, which has now been withdrawn, would have provided a system of Independent Taxation to apply to all marriages and civil partnerships.

It also would have introduced a Compensatory Allowance to help couples gradually ease into Independent Taxation. Further detail on this new allowance is provided later in this report.

Proposition P.32/2023

Deputy L.J. Farnham pre-empted Stage 2 of the Law with his own proposition, "[Removal of compulsory Independent Taxation for existing married couples and civil partnerships](#)" (P.32/2023), lodged on 23 May 2023.

The Assembly voted against removing the mandatory nature of Independent Taxation but voted for the Minister for Treasury and Resources to take the necessary steps to ensure that joint taxation (taken to mean joint filing) remained available for married couples and civil partners who currently could complete one tax return.

In determining a path forward that respected the States' votes on this matter, the Minister proposes to allow couples who were married and resident in Jersey before 2022 to file joint tax returns.

³ The existing separate assessment regime gives couples privacy over their tax affairs but does not impact their overall liability to tax.

Although joint filing would be made available, the couple would still be assessed independently for income tax so ensuring that the benefits of Independent Taxation can be achieved.

In line with the States' votes, the concession to file jointly will be available only to couples who have historically filed one return.

Independent Taxation for all couples

If these revised proposals are adopted by the States, all couples would move to Independent Taxation for the year of assessment 2026 onwards.

The default position would be that spouses and civil partners would each receive their own tax return from 2027, in respect of the 2026 year of assessment, unless they were eligible to elect – and had elected – to file jointly. Individuals would each receive their own tax assessments based only on their own income and allowances. ITIS Effective Rates and 'payment on account' notices would be calculated by reference only to their own income.

Joint Filing in Independent Taxation

It is proposed that couples who were married, or in a civil partnership, and resident in Jersey prior to 1 January 2022 ("existing married couples") would be able jointly to elect to file one joint tax return, either on paper or online. The election would need to be made by both spouses and would remain in place until it was revoked. Either spouse would be able to revoke the election without the other's permission.

Couples would need to nominate a 'responsible spouse' who would file on behalf of the couple. It would not matter which of the couple was nominated – it would be a decision purely for the couple to make between themselves. The nomination process would be straightforward and could be done online or on paper. The responsible spouse would be liable for any associated penalties (e.g. for late submission of the joint return).

Joint returns would look and feel familiar to couples who have always filed one return. Only the nominated spouse would be required to sign a joint paper tax return. For those who choose to file online, the sign-in processes (using Yoti or Jersey Me) allow only one individual to log in, in any case.

Where spouses elect to file jointly, they would still receive two tax assessments⁴ (i.e. they would file jointly but would be taxed independently). The information on the joint tax return would be split out (by Revenue Jersey) to create two independent assessments, one for each individual. Each assessment would be calculated using only the individual's income and allowances.

The proposed Compensatory Allowance would be calculated and awarded automatically for couples who elect to file jointly. Although more complex, there would be a special mechanism that would enable the Compensatory Allowance to be awarded to couples who file independently.

Assessment and payment

It is recognised that having two assessments and making two separate payments – particularly for pensioner couples – is a new obligation. Approximately 65 percent of pensioner's spouses will be exempt from taxation under Independent Taxation so would not be required to make an additional payment.

There is already a process where an individual can grant authority for a relative (including a spouse) or a friend to deal with Revenue Jersey. This would allow a nominated individual to discuss and pay any liabilities on behalf of the taxpayer.

⁴ See **Appendix 3** for examples of joint filing in Independent Taxation.

Compensatory allowance

Once Independent Taxation had been identified as the most appropriate way forward, it was recognised that, while there would be no financial impact for most couples, around 6,400 couples would see their tax liability increase under a straight (overnight) switch to Independent Taxation.⁵ This outcome has been common in jurisdictions which have moved away from married couples' taxation in recent decades.

The putative increase would occur in circumstances where one partner had income below the single person's income tax threshold (£20,000 for 2024), meaning they would not be able to access the full income thresholds available to them under the previous system. Table 1 below shows an example where Spouse A in a married couple earns more than £20,000 and Spouse B earns £10,000.

Married taxation	Independent Taxation
Married threshold £32,050	Individual threshold £20,000
Second earners £7,950	Individual threshold (income) £10,000
Total threshold £40,000	Total threshold £30,000

Table 1: Example comparing the thresholds between married taxation and independent taxation where Spouse B earns £10,000.

A side-by-side working example is provided in **Appendix 2**.

The creation of a Compensatory Allowance to help these couples with the transition to Independent Taxation has been a key part of the programme. The exact amount of the allowance will depend on the couple's joint income and will be calculated each year by reference to the couple's personal circumstances.

The Compensatory Allowance would always be awarded to the higher earner because the increase in tax would always fall on the higher earner alone. The lower earner in the couple would be exempt from tax, with their income being below the threshold. The allowance will reduce overtime as the single person's tax threshold increases.

Why all couples must be independently taxed

The decision to propose to the Assembly that Independent Taxation should be for all couples delivers on public commitments to provide equality across genders and ages through a policy that has been developed carefully, over several years, by consecutive Ministers and in response to Islanders' preferences as articulated in a very significant consultation exercise.

The current married taxation system does much more than simply require one person to give their personal financial information to another. It ignores the financial position of one party; it may actively impose financial burdens on them; and in extremis transfer monies from one to the other without consent.

There are concerns around the potential for the current tax laws to create a habitat for coercion and control. As discussed in the debate of P.32/2023, Jersey is committed to delivering

⁵ 6,400 out of around 17,750 couples in the tax system. Figures are calculated by reference to data from the year of assessment 2021. The median increase in the tax liability would be £1,500.

Independent Taxation as part of its undertakings under the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

The revised proposals, even with allowing some couples to file a joint tax return, will help reduce the potential for coercive and controlling behaviour by ensuring there is fiscal separation between the two individuals. To file a joint return, both spouses must elect. As an extra safeguard, either spouse will be able to revoke the election without the permission of the other.

In addition, the draft law allows either spouse to be responsible for filing the joint tax return. There would be no preconception or default based on gender or age. This would be a significant step in ensuring there is reduced discrimination in the tax laws.

Other notable changes

Pensioners who were resident and married before 2001 may receive a social security pension with an uplift (the so-called “red card”). The increase is based on the husband’s contributions but is paid to the wife. Under the current tax rules, that increase is taxable on the husband. The draft law would change the tax treatment so that the increase is treated as the wife’s income. This is expected further to reduce the number of pensioners who will be liable to income tax.

Commencement

The main body of the draft law would come into force on 1 January 2025, although Independent Taxation for all couples would not take effect until the year of assessment 2026. Some consequential amendments to other laws would take effect on 1 January 2025.

Children’s rights impact assessment

A preliminary assessment has been conducted in respect of the impact of mandatory Independent Taxation on children’s rights. Completion of the preliminary assessment also evidences compliance with the Ministerial duty to have due regard to children’s rights when formulating policy decisions.

The Children’s Rights Impact Assessment (CRIA) in relation to this proposition is available to read on the States Assembly website.

Financial and staffing implications

A detailed analysis has been undertaken on the year of assessment 2021 dataset (the most recent full dataset available). In the absence of a Compensatory Allowance, the move to Independent Taxation would generate £5.5m in additional revenues, comprising £9.5m from those couples who would pay more under the new regime, and £4m from those who would pay less. With the Compensatory Allowance, the expected Exchequer loss is £4m for the year of assessment 2026 onwards.

It is estimated that the administrative costs of introducing Independent Taxation as now proposed are unlikely to exceed £3 million.

Human rights

The notes on the human rights aspects of the draft Law in **Appendix 4** have been prepared by the Law Officers’ Department and are included for the information of States Members. They are not, and should not be taken as, legal advice.

APPENDIX 1 TO REPORT

Summary of consultation and engagement undertaken since October 2017

Date	Type of engagement	Participants
October 2017	Apptivism Facebook messenger chatbot on the current system of married taxation	1,200 participants
February 2018	<i>4Insight</i> 1st series of focus groups discussing married and unmarried taxation	32 participants, in-depth interviews
June 2018	Statistics Jersey issued the Jersey Opinions and Lifestyle Survey, which included questions on married taxation	>1,000 responses
June 2018	<i>4Insight</i> 2nd series of focus groups, discussing different elements of the personal tax regime – including tax reliefs and allowances, and tax rates	32 participants, in-depth interviews
Jan-Mar 2019	<i>ComRes</i> online and telephone survey covering married taxation, tax reliefs and allowances, and tax rates	c.3,000 responses
<p>A majority of participants in the engagement that took place between October 2017 and March 2019 thought it was unreasonable to treat married and unmarried couples differently, with Independent Taxation being preferred to alternatives, such as household taxation.</p> <p>That engagement informed the policy direction that resulted in the lodging of P.119/2019 and P.78/2021 – the first stage of the movement to Independent Taxation.</p> <p>The engagement below took place after the States adopted P.78/2021.</p>		
Date	Type of engagement	
September 2021	Media release – States adopt first stage of law	
September 2021	Publication of dedicated page on Government website	
From September 2021	Leaflet delivered to all households in Jersey	
	Posters in all Parish Halls, the Town Library and Citizens Advice (including in Polish and Portuguese)	
	Social media campaigns <ul style="list-style-type: none"> • “More information is available” • “Use our online tax calculator” • “Attend our public briefing events” 	

	“Event reminders”	
	Advertising in JEP and Bailiwick Express (“See how the tax you pay may change”)	
	JEP advertising – “use our online tax calculator” and “attend one of our public brief events” campaigns	
	Public events – St Helier (x2), St John, St Brélade, and St Clement	
	Published online tax calculator	
	Online webinar for pilot group participants	
	Change guide for pilot group participants	
November 2021	Facebook LiveStream Event	
From January 2022	Leaflet included with all income tax returns	
June 2022	Pilot group – feedback survey	
From January 2023	Leaflet included with all income tax returns	
November 2023	<i>4Insight</i> 3rd series of focus groups, discussing the proposed process for a new ‘Joint Tax Return Filing’ option and the guide to the Independent Taxation Mandatory Phase legislation.	42 participants, in-depth interviews
Of those who could, 61% said they would likely elect to file a joint return.		

APPENDIX 2 TO REPORT

Compensatory allowance – side-by-side example using 2024 allowances

Married Man's taxation		Independent taxation (no compensatory allowance)	
Spouse A		Spouse A	
Employment income	65,000	Employment income	65,000
Spouse B		Less: single threshold	(20,000)
Self-employment income	5,000	Taxable income	45,000
Total income	70,000	Tax @ 26%	11,700
Less: married threshold	(32,050)	LTC @ 1.95%	877
Less: second earner's	(5,000)		
Deductions	(37,050)	Spouse B	
Taxable income	32,950	Self-employment income	5,000
		Less: single threshold	(20,000)
Tax @ 26%	8,567	Taxable income	Nil
LTC @ 1.95%	642	Tax @ 26% / LTC @ 1.95%	Nil

Table 2: Shows that the couple would be £3,368 worse off under Independent Taxation without the compensatory allowance.

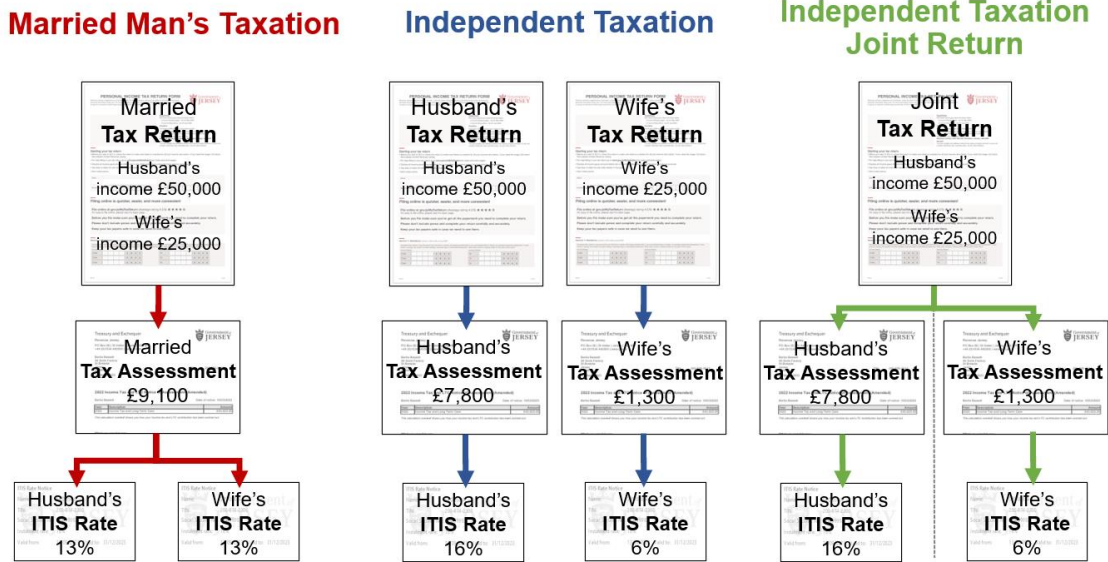
Married Man's taxation		Independent taxation (with compensatory allowance)	
Spouse A		Spouse A	
Employment income	65,000	Employment income	65,000
Spouse B		Less: single threshold	(20,000)
Self-employment income	5,000	Less: compensatory allowance	(12,050)
Total income	70,000	Taxable income	32,950
Less: married threshold	(32,050)	Tax @ 26%	8,567
Less: second earner's	(5,000)	LTC @ 1.95%	642
Deductions	(37,050)		
Taxable income	32,950	Spouse B has no liability to income tax	
Tax @ 26%	8,567		
LTC @ 1.95%	642		

Table 3: Shows that the couple would not financially lose out if the compensatory allowance is used to calculate the tax if Independent Taxation is introduced.

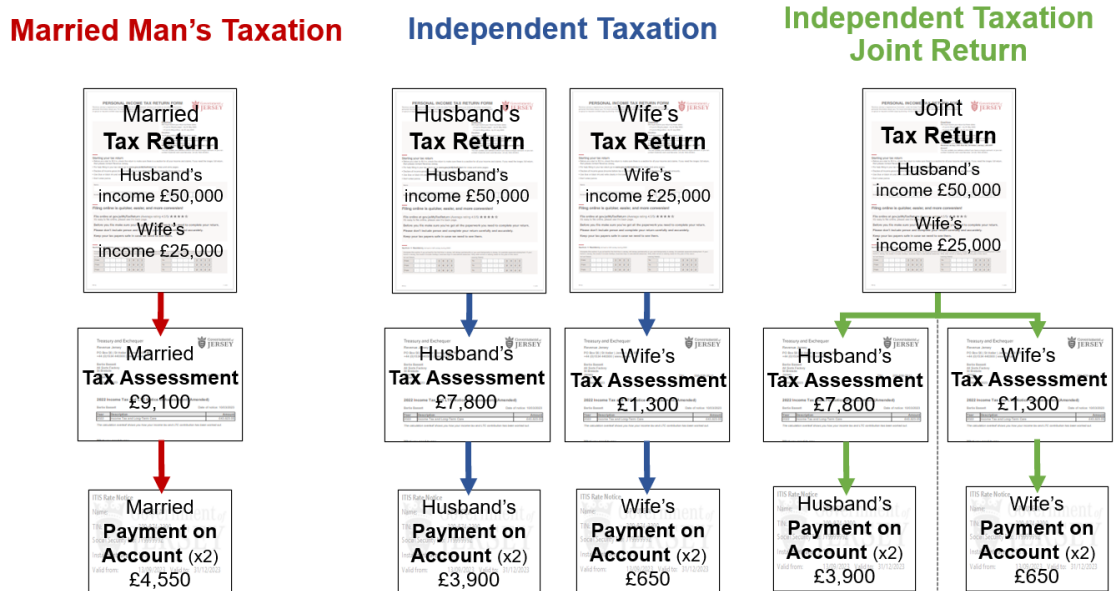
APPENDIX 3 TO REPORT

Tax return filing – differences between Married Man’s Taxation, Independent Taxation and Joint Filing under Independent Taxation using 2024 allowances⁶

Example 1 – Both husband and wife employed:



Example 2 – Both husband and wife retired:



⁶ The examples are based on a married man and woman. For same sex marriages and civil partnerships, the non-primary spouse or partner (usually the younger of the couple) would be treated the same as the married woman.

APPENDIX 4 TO REPORT**Human Rights Notes on the Draft Income Tax (Amendment – Stage 2 of Independent Taxation) (Jersey) Law 202-**

These Notes have been prepared in respect of the Draft Income Tax (Amendment – Stage 2 of Independent Taxation) (Jersey) Law 202- (the “**draft Law**”) by the Law Officers’ Department. They summarise the principal human rights issues arising from the contents of the draft Law and explain why, in the Law Officers’ opinion, the draft Law is compatible with the European Convention on Human Rights (“**ECHR**”).

These notes are included for the information of States Members. They are not, and should not be taken as, legal advice.

The draft Law implements the second stage of the move to independent taxation, whereby every individual is subject to assessment for income tax on their own income but enables certain married couples and civil partners to jointly file their tax returns. This is achieved by amendments to the Income Tax (Jersey) Law 1961 (“**the ITL**”).

The draft Law is largely an administrative change to the existing provisions of the ITL, and clarification of some provisions, it does not impose any additional charges on affected persons. Measures are included to ensure that those affected by the changes to the ITL are not financially disadvantaged by them. As such the draft Law is not considered to engage the provisions of the ECHR relating to the right to property. In any event, in matters of property States are afforded a margin of appreciation in matters of tax and the measures in the draft Law would be considered compliant.

The draft Law similarly does not create any new criminal offences or give any new powers to the Comptroller. In any event, the provisions for appeal are considered sufficient for the purposes of Article 6 of the ECHR (the right to a fair trial).

Overall, the draft Law is considered compliant with the provisions of the ECHR.

EXPLANATORY NOTE

This Law, if adopted, would amend the Income Tax (Jersey) Law 1961 (the “Income Tax Law”) to provide for the final stage of the transition to independent taxation for people who are married or in a civil partnership.

Article 1 provides that this Law amends the Income Tax Law.

Article 2 amends Article 3 of the Income Tax Law (the general interpretation Article), principally to remove defined terms that are no longer necessary, such as “spouse A” and “spouse B”.

Article 3 inserts new Articles 16AA and 16AB into the Income Tax Law. These Articles allow people who were in legal relationships and resident in Jersey before the 2022 year of assessment (“qualifying partners”) to elect to file joint returns. Qualifying partners may nominate a “responsible partner”, who will be responsible for filing the return on behalf of the couple. The joint return will be used to assess each qualifying partner for tax independently.

Article 4 replaces Article 41B of the Income Tax Law with Articles 41B to 41BD. These rewritten Articles remove references to the defined terms deleted by *Article 2* and restate the existing provision in a plainer way.

Article 5 deletes Articles 41D and 41DA of the Income Tax Law as those Articles are not required if individuals are taxed independently.

Article 6 amends Article 41G(1) of the Income Tax Law so that an amount of tax deducted from an employee’s or building sub-contractor’s pay must be applied as a payment of tax by that employee or sub-contractor. (Currently, Article 41G requires some amounts to be applied as payments of tax by the employee’s or sub-contractor’s spouse or civil partner.)

Article 7 amends Article 41H of the Income Tax Law to reduce the amount of information that a person is required to provide to the Comptroller about the person’s spouse or civil partner.

Article 8 rewrites Article 42 of the Income Tax Law to make it plainer and to ensure that the ability of the Comptroller to recover unpaid income tax from an individual in respect of the income of the person’s spouse or civil partner is limited to years of assessment before 2026.

Article 9 deletes Article 77AA(3) and (4) of the Income Tax Law as those paragraphs are not required if individuals are taxed independently.

Article 10 replaces Article 92A of the Income Tax Law to provide for an individual’s income tax threshold to be determined without reference to their marital status.

Article 11 replaces Article 92B of the Income Tax Law to reflect the changes made to Article 92A.

Article 12 inserts new Article 99 into the Income Tax Law. Article 99 increases the exemption threshold for people who were entitled to be taxed jointly before the 2022 year of assessment. This increase in the exemption threshold ensures that those people have their tax payable adjusted by reference to the amount of tax they would have been liable to pay prior to the introduction of mandatory independent taxation.

Article 13 deletes Parts 16 and 16A of the Income Tax Law as those Parts are not required if individuals are taxed independently.

Article 14 amends Article 129AA of the Income Tax Law to reflect the amendments made by *Articles 10 and 12*.

Article 15 amends Article 129B of the Income Tax Law to remove income of a person’s spouse or civil partner from the definition of the person’s “non-Jersey income”.

Article 16 rewrites Article 130C of the Income Tax Law to remove references to the defined terms deleted by *Article 2* and to restate the existing provision in a plainer way.

Article 17 inserts new Article 149B into the Income Tax Law. Article 149B introduces new Schedule 7 to the Income Tax Law, which is inserted by *Article 18* and *Schedule 1* to this Law. New Schedule 7 provides for the joint taxation of certain married people and civil partners in the 2025 year of assessment. New Schedule 7 reflects the existing treatment of those people, but moves the relevant provisions to a Schedule so that the body of the Income Tax Law applies to those who are independently taxed.

Article 19 introduces Schedule 2 to this Law, which makes minor and consequential changes to the Income Tax Law and other legislation.

Article 20 gives the title of this Law and provides when this Law comes into force. Most of this Law comes into force on 1st January 2025, but some consequential provisions come into force on 1st January 2026.



Jersey

DRAFT INCOME TAX (AMENDMENT – STAGE 2 OF INDEPENDENT TAXATION) (JERSEY) LAW 202-

Contents

Article

1	Income Tax (Jersey) Law 1961 amended	17
2	Article 3 (general provisions as to interpretation) amended	17
3	New Articles 16AA and 16AB inserted.....	18
4	Article 41B (duty of employer to deduct and account for tax) substituted	19
5	Articles 41D (deductions in respect of spouses) and 41DA (deductions in respect of civil partners) deleted.....	22
6	Article 41G (treatment of amounts received by Comptroller) amended.....	22
7	Article 41H (requirement to provide information when entering or resuming employment or sub-contracting) amended	22
8	Article 42 (proceedings for recovery of tax) substituted.....	22
9	Article 77AA (social security allowances) amended	23
10	Article 92A (threshold for exemption from income tax) substituted.....	23
11	Article 92B (increase in exemption threshold for child day care) substituted	24
12	New Article 99 (increase in exemption threshold for certain spouses and civil partners) inserted	25
13	Parts 16 (special provisions for certain married people) and 16A (special provisions for certain civil partners) deleted	26
14	Article 129AA (apportionment of reliefs etc for individuals who become, or cease to be, ordinarily resident) amended	26
15	Article 129B (relief for non-residents) amended.....	27
16	Article 130C (relevant earnings) substituted.....	27
17	New Article 149B (savings and transitional provisions: taxation of certain married people and civil partners in 2025) inserted	28
18	New Schedule 7 (savings and transitional provisions: taxation of certain married people and civil partners in 2025) inserted	28
19	Minor and consequential amendments	28
20	Citation and commencement	28

SCHEDULE 1 **29**

NEW SCHEDULE 7 INSERTED	29
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SCHEDULE 2 **34**

MINOR AND CONSEQUENTIAL AMENDMENTS	34
------------------------------------	----

1	Amendments to Income Tax (Jersey) Law 1961	34
2	Amendment to Finance (2016 Budget) (Jersey) Law 2016.....	34
3	Amendments to Income Tax (Purchased Life Annuities) (Jersey) Order 1959.....	34
4	Amendments to Social Security (Jersey) Law 1974	34
5	Amendments to Social Security (Residence and Persons Abroad) (Jersey) Order 1974	35
6	Amendments to Social Security (Television Licence Benefit – Income Threshold) (Jersey) Order 2021	35



Jersey

DRAFT INCOME TAX (AMENDMENT – STAGE 2 OF INDEPENDENT TAXATION) (JERSEY) LAW 202-

A **LAW** to provide for the final stage of the transition to independent taxation for people who are married or in a civil partnership.

<i>Adopted by the States</i>	<i>[date to be inserted]</i>
<i>Sanctioned by Order of His Majesty in Council</i>	<i>[date to be inserted]</i>
<i>Registered by the Royal Court</i>	<i>[date to be inserted]</i>
<i>Coming into force</i>	<i>[date to be inserted]</i>

THE STATES, subject to the sanction of His Most Excellent Majesty in Council, have adopted the following Law –

1 [Income Tax \(Jersey\) Law 1961](#) amended

This Law amends the [Income Tax \(Jersey\) Law 1961](#).

2 Article 3 (general provisions as to interpretation) amended

(1) This Article amends Article 3(1).

(2) For the definition “earned income” there is substituted –

“earned income”, in relation to an individual, means –

- (a) remuneration from an office or employment held by the individual;
- (b) income arising in respect of a pension, superannuation, other allowance, deferred pay or compensation for loss of office given in respect of the past services, in an office or employment, of the individual, the individual’s parent, spouse or civil partner, or a deceased person (regardless of whether the individual, the individual’s spouse, civil partner or parent, or the deceased person contributed to the pension, superannuation or deferred pay);
- (c) income from a property that is attached to or forms part of the emoluments of an office or employment held by the individual;
- (d) income that is –
 - (i) charged under Schedule A by virtue of Article 51(1)(b) or (c) (which relate to profits or gains from the trades of disposal or exploitation of land in Jersey), or under Schedule D, and

- (ii) immediately derived by the individual from the carrying on or exercise of the individual's trade, profession or vocation, either as an individual or as a partner acting personally in a partnership; and
 - (e) any other payment required by any provision of this Law to be treated as or deemed to be earned income (including Articles 77AA(2)(b), 131K(1) and 131M(2));".
- (3) For the definition "marginal income deduction" there is substituted –
"marginal income deduction" means a deduction allowed under Article 90AA, 90B or 90C;"
- (4) The definitions "civil partner A" and "civil partner B", "independently taxed civil partner", "independently taxed spouse", "spouse A" and "spouse B" are deleted.

3 New Articles 16AA and 16AB inserted

After Article 16 there is inserted –

"16AA Joint returns for spouses and civil partners

- (1) Qualifying partners who are required under Article 16 to deliver a return may deliver a joint return if a valid election (as defined in Article 16AB(1)) is in force.
- (2) While a valid election is in force –
 - (a) the responsible partner is required to deliver a return under Article 16 that contains all required information in respect of both qualifying partners;
 - (b) the qualifying partner who is not the responsible partner is not required to deliver a return under Article 16 unless the Comptroller requires it under paragraph 5(b);
 - (c) the Comptroller must assess both qualifying partners individually under Article 22; and
 - (d) a qualifying partner is not entitled to appeal against an assessment made on the other qualifying partner.
- (3) In this Article –
 - (a) 2 people ("A" and "B") are "qualifying partners" if –
 - (i) A and B entered into a marriage or civil partnership with each other before 1st January 2022,
 - (ii) A and B have lived together without any periods of separation since 31st December 2021,
 - (iii) A and B were both ordinarily resident in Jersey in the 2021 year of assessment and have not ceased being ordinarily resident in Jersey since then, and
 - (iv) A and B have not elected to be independently taxed;
 - (b) qualifying partners are separated if –
 - (i) they are separated under an order of a court of competent jurisdiction or by agreement of separation, or

- (ii) they are in fact separated and the separation is likely to be permanent;
- (c) a person has elected to be independently taxed if they have made an election under Article 121C, 121D, 121E, 121F, 122DA, 122DB, 122DC or 122DD, as in force immediately before 1st January 2025.

16AB Valid elections: making and revoking

- (1) A valid election is a written notice that –
 - (a) notifies the Comptroller that the qualifying partners elect to deliver a joint return;
 - (b) gives the Comptroller permission to use both qualifying partners' income for the purpose of calculating whether either partner is entitled to an increase in their exemption threshold under Article 99;
 - (c) nominates one of the qualifying partners as the responsible partner;
 - (d) is signed by both qualifying partners; and
 - (e) is received by the Comptroller no later than 30th September in the year of assessment to which the return relates.
- (2) The Comptroller must accept a valid election unless, at the time of its receipt, a qualifying partner has an overdue required return or amount of tax.
- (3) The Comptroller must notify both qualifying partners, in writing, of whether the valid application is accepted or refused.
- (4) A valid election –
 - (a) remains in force for later years of assessment unless revoked;
 - (b) may be revoked by the Comptroller if a qualifying partner fails to deliver a required return or pay an amount of tax that is due;
 - (c) may be revoked by either qualifying partner at any time; and
 - (d) if the qualifying partners separate, is revoked with effect from the beginning of the year of assessment in which the partners separate.
- (5) If a valid election is revoked –
 - (a) the Comptroller must notify the qualifying partners; and
 - (b) the Comptroller may require the qualifying partners to file individual returns under Article 16 for a year of assessment –
 - (i) that was during the period for which the election was in force, and
 - (ii) for which the responsible partner has not provided the required joint return.
- (6) In this Article, “qualifying partners” and “separate” have the same meaning as in Article 16AA(3).”.

4 Article 41B (duty of employer to deduct and account for tax) substituted

For Article 41B there is substituted –

“41B Duty of employer to deduct tax

- (1) An employer who pays earnings to an employee must deduct tax from the earnings at the employee’s effective rate.
- (2) Despite paragraph (1), if the employee is under the upper limit of compulsory school age (as defined in Article 2 of the [Education \(Jersey\) Law 1999](#)), the employer –
 - (a) is not required to deduct tax from the employee’s earnings; but
 - (b) may choose to deduct tax from the employee’s earnings and, if so, must deduct tax at the employee’s effective rate.
- (3) An employee’s effective rate is –
 - (a) the rate specified in a notice issued by the Comptroller under Article 41CC as applying to the employee on the day the deduction is made; or
 - (b) if the employer has not received a notice, 20%.
- (4) An agreement is void to the extent that it requires the payment of earnings without deduction of tax in contravention of this Article.
- (5) In this Article, “earnings” includes amounts to which Article 62D applies (which are payments for termination of employment or changes to the duties or emoluments of employment).

41BA Duty of employer to pay deductions to Comptroller

- (1) An employer must, by the time the employer is required to deliver a return under Article 20, pay to the Comptroller the amount required to be deducted by the employer under Article 41B during the period to which the return relates.
- (2) An employer who fails to comply with this Article commits an offence and is liable to a fine.
- (3) If the employer is not resident in Jersey or is a body of persons, both the employer and a person deemed to be an employer under Article A15(6) or (7) are liable to a fine.

41BB Comptroller may estimate amount employer must pay

- (1) The Comptroller may estimate the amount required to be paid by an employer under Article 41BA(1) and serve a notice on the employer requiring the employer to pay the estimated amount if –
 - (a) for the period to which the amount relates –
 - (i) the date by which the employer is required to deliver a return under Article 20 has passed, and
 - (ii) the employer has not delivered the return; or
 - (b) the Comptroller is not satisfied that the employer has paid the correct amount under Article 41BA(1).
- (2) If the Comptroller discovers that the estimated amount is incorrect (either because the employer delivers a return under Article 20 or for any other

reason), the Comptroller may cancel the notice and serve on the employer a further notice requiring the employer to pay a revised amount.

- (3) A notice must state –
 - (a) the estimated or revised amount the employer is required to pay;
 - (b) the latest date by which the employer may appeal the amount; and
 - (c) the date, which must be at least 15 days after the date of the notice, by which the amount must be paid.
- (4) An employer may appeal against a decision of the Comptroller to serve a notice under this Article by giving notice in writing to the Comptroller no later than 15 days after the service of the notice.
- (5) Part 6 applies, with the necessary modifications, to an appeal under this Article as if it were an appeal against an assessment.

41BC Duty of employer to keep records of deductions

- (1) An employer must keep records of amounts deducted under Article 41B and the effective rate applied for a period of at least 6 years after the deduction is made.
- (2) When an employer deducts tax under Article 41B, the employer must give the employee from whose earnings the tax is deducted written notice of the amount of tax deducted and the effective rate applied.
- (3) An employer must give written notice to an employee containing a summary of the amount of tax the employer deducted from the employee's earnings in a year of assessment –
 - (a) if the employee is still in employment at the end of the year of assessment, by 31st January of the year after the year of assessment; or
 - (b) if the employee finishes employment before the end of the year of assessment, on the employee's last day of employment.
- (4) An employer who fails to comply with this Article commits an offence and is liable to a fine of level 3 on the standard scale.

41BD Failure by employer to deduct tax or pay deductions to Comptroller

- (1) If an employer fails to deduct tax under Article 41B but pays the amount the employer should have deducted to the Comptroller under Article 41BA, the employer may recover the amount from the employee as a civil debt.
- (2) If an employer deducts an amount of tax from an employee's earnings but fails to pay the amount to the Comptroller under Article 41BA, the employee is entitled to have the deduction treated as a payment of tax by the employee unless –
 - (a) the employee is unable to prove, to the satisfaction of the Comptroller, that the deduction was made; or
 - (b) the employer is not an individual and, at the time the deduction was made, the employee was directly or indirectly entitled to 20% or more of the income, profits or gains of the employer chargeable to tax under this Law in the year of assessment in which the deduction was made.”.

5 Articles 41D (deductions in respect of spouses) and 41DA (deductions in respect of civil partners) deleted

Articles 41D and 41DA are deleted.

6 Article 41G (treatment of amounts received by Comptroller) amended

For Article 41G(1) there is substituted –

“(1) The Comptroller must apply an amount paid under Article 41BA or 41E as a payment of income tax by the employee or sub-contractor from whom it was deducted.”.

7 Article 41H (requirement to provide information when entering or resuming employment or sub-contracting) amended

(1) For Article 41H(3) there is substituted –

“(3) If the person is married or in a civil partnership, the person must also notify the Comptroller of –

(a) the person’s spouse’s or civil partner’s –

(i) name,

(ii) date of birth,

(iii) social security number, and

(iv) reference number assigned by the Comptroller (if any); and

(b) the date on which the marriage or civil partnership was entered into.”.

(2) Article 41H(3A) is deleted.

8 Article 42 (proceedings for recovery of tax) substituted

For Article 42 there is substituted –

“42 Proceedings for recovery of tax

(1) The Treasurer of the States may institute proceedings for the recovery of income tax at any time after the date specified in the following table –

Type of payment	Date after which proceedings may be instituted
Instalment of income tax under Article 41A or 41AB	The date on which the instalment is due
Money due under Article 41BA(1), 41BB, 41E(5) or 41E(5A) or under paragraph 3(8) or 4(8) of Schedule 3A	The date on which the money is due
Any other payment of tax	The date on which the assessment to tax is finally settled (which, if the amount is subject to an appeal under Part 6, is the date of

Type of payment	Date after which proceedings may be instituted
	determination by the Commissioners of Appeal)

- (2) If the income tax to be recovered has been charged on an individual for a year of assessment before 2026 in respect of the profits or income of the individual's spouse or civil partner –
- (a) the Comptroller may serve a notice on the spouse or civil partner demanding payment of the outstanding amount that relates to the spouse's or civil partner's income (the "relevant amount"); and
 - (b) if the relevant amount has not been paid within 40 days after the service of the notice, the powers of recovery provided in this Law extend to the property, goods and chattels of the spouse or civil partner."

9 Article 77AA (social security allowances) amended

- (1) In Article 77AA(2)(b), "subject to paragraph (3)," is deleted.
- (2) In Article 77AA, paragraphs (3) and (4) are deleted.

10 Article 92A (threshold for exemption from income tax) substituted

For Article 92A there is substituted –

"92A Exemption from income tax for individuals whose income is not over the exemption threshold

- (1) An individual is exempt from income tax for a year of assessment if the individual's relevant income for that year is not more than the individual's exemption threshold.
- (2) In this Article –
 - "exemption threshold", for an individual, is the low income threshold plus any increase in the threshold to which the individual is entitled under a provision in this Part;
 - "low income threshold" is £20,000;
 - "relevant income", for an individual for a year of assessment, means the individual's total income for the year of assessment less the marginal income deduction (if any) to which the individual is entitled.

92AA Taxation of individuals whose income is over the exemption threshold

- (1) An individual whose relevant income for a year of assessment is more than the exemption threshold is subject to tax charged at the standard rate on the individual's total income for the year of assessment.
- (2) If Article 92C (marginal rate of tax) applies to an individual for a year of assessment, the amount of tax payable by the individual for the year of assessment is reduced in accordance with that Article.

- (3) In this Article, “exemption threshold” and “relevant income” have the meanings given in Article 92A(2).”.

11 Article 92B (increase in exemption threshold for child day care) substituted

For Article 92B there is substituted –

“92B Increase in exemption threshold for certain child care payments

- (1) An individual who is entitled to an increase in the exemption threshold under Article 95 for a year of assessment in respect of a child aged under 13 (a “qualifying child”) is entitled to a further increase in the exemption threshold in respect of the qualifying child if, for the year of assessment –
 - (a) the individual has qualifying income;
 - (b) the individual has made a qualifying child care payment for the child’s care.
- (2) The amount of the increase that the individual is entitled to in respect of each qualifying child is the lesser of –
 - (a) the amount that the individual paid in the year of assessment in qualifying child care payments for the child’s care; and
 - (b) the maximum increase that applies to the child.
- (3) The total amount of increase that an individual is entitled to for a year of assessment is the lesser of –
 - (a) the sum of the amounts to which the individual is entitled under paragraph (2); and
 - (b) the individual’s qualifying income for the year of assessment.
- (4) If, for a year of assessment, 2 or more individuals are entitled to an increase in the exemption threshold under this Article in respect of the same child, the increase must be apportioned between them –
 - (a) in proportions agreed between the individuals; or
 - (b) if there is no agreement, in proportions determined by the Comptroller, to be determined to the best of the Comptroller’s judgement and in accordance with any evidence provided to the Comptroller by the individuals.
- (5) An amount apportioned to an individual under paragraph (4) must not exceed the amount the individual paid in qualifying child care payments for the qualifying child for the year of assessment.
- (6) The Comptroller may require an individual to provide the Comptroller with a certificate from the person to whom the individual makes a qualifying child care payment.
- (7) The certificate –
 - (a) must state –
 - (i) the name and address of the person,
 - (ii) if the person is a registered day carer, the person’s registration number,

- (iii) if the person is a nanny, the person’s reference number from the Jersey Child Care Trust,
 - (iv) the full name and date of birth of the qualifying child, and
 - (v) the amount received in the year of assessment for care of the qualifying child; and
- (b) for the purposes of Article 137, is a statement made by the individual in connection with a claim for relief.
- (8) In this Article –
- “maximum increase”, in relation to a qualifying child, means –
- (a) for a qualifying child whose date of birth is between 1st January and 31st August inclusive and who in the year of assessment has not attained the age of 4 years, £19,700;
 - (b) for a qualifying child whose date of birth is between 1st September and 31st December inclusive and who is aged 4 or under on 31st December of the year of assessment, £19,700; or
 - (c) for any other child, £7,600;
- “qualifying child care payment” means a payment made –
- (a) for the care of a qualifying child to a registered day carer or to a nanny accredited by the Jersey Child Care Trust; or
 - (b) if the qualifying child is below compulsory school age, for the attendance of the child in a nursery school or nursery class under Regulations made under Article 9 of the [Education \(Jersey\) Law 1999](#);
- “qualifying income” –
- (a) means income arising from a trade, profession, office, employment or vocation chargeable to tax under Case I, II or IIA of Schedule D or under Schedule A by virtue of Article 51(1)(b) or (c) (which apply to income from commercial dealings in Jersey land or from exploitation of Jersey land); but
 - (b) does not include –
 - (i) income received or receivable by an individual from the individual’s spouse or civil partner, or
 - (ii) the first £5,550 of the individual’s income under subparagraph (a);
- “registered day carer” means a day carer registered under the [Day Care of Children \(Jersey\) Law 2002](#) (including day carers treated as registered by virtue of Article 13 of that Law).”.

12 New Article 99 (increase in exemption threshold for certain spouses and civil partners) inserted

After Article 98A there is inserted –

“99 Increase in exemption threshold for certain spouses and civil partners

- (1) This Article applies to an individual (“partner A”) for a year of assessment if –

- (a) partner A entered into a marriage or civil partnership before 1st January 2022 with another individual (“partner B”);
- (b) partner A and partner B have lived together without any periods of separation since 31st December 2021;
- (c) partner A and partner B were ordinarily resident in Jersey in the 2021 year of assessment and have not ceased to be ordinarily resident in Jersey; and
- (d) partner A’s relevant income for the year of assessment is more than partner B’s relevant income for the year.

- (2) If the result of the following calculation is greater than nil, partner A is entitled to an increase in the exemption threshold of that amount for the year of assessment –

$$32,050 - A - (B - C) = D$$

where –

A is the low income threshold as defined in Article 92A(2);

B is partner B’s total income for the year of assessment;

C is the lower of –

- (i) partner A’s earned income for the year of assessment,
- (ii) partner B’s qualifying income for the year of assessment, and
- (iii) £7,950;

D is the amount in pounds of the increase to which the individual is entitled (if greater than nil).

- (3) Partner A and partner B must provide the Comptroller with any information necessary for the Comptroller to perform the calculation in paragraph (2).

- (4) In paragraph (2) –

“qualifying income”, for an individual, means the individual’s income for the year of assessment that is not earned income;

“relevant income” has the meaning given in Article 92A(2).”.

13 Parts 16 (special provisions for certain married people) and 16A (special provisions for certain civil partners) deleted

Parts 16 and 16A are deleted.

14 Article 129AA (apportionment of reliefs etc for individuals who become, or cease to be, ordinarily resident) amended

- (1) For Article 129AA(2) there is substituted –

“(2) The exemption threshold applicable to the individual, for a relevant year of assessment, is the sum of –

- (a) the apportionment fraction of the low income threshold (as defined in Article 92A(2));
- (b) the apportionment fraction of any increase in the exemption threshold to which the individual is entitled under Part 12, except for Article 99; and

- (c) if paragraph (1)(b) applies and the individual satisfies the requirements of Article 99(1) prior to ceasing to be resident in Jersey, the amount calculated under paragraph (2A) (if that amount is greater than nil).

(2A) The calculation for the purposes of paragraph (2)(c) is –

$$((32,050 - A) \times B) - (C - (D \times B)) = E$$

where –

- A is the low income threshold as defined in Article 92A(2);
- B is the apportionment fraction;
- C is the individual's spouse's or civil partner's total income for the year of assessment;
- D is the lower of –
 - (i) the individual's earned income for the year of assessment,
 - (ii) the individual's spouse's or civil partner's qualifying income (as defined in Article 99(4)) for the year of assessment, and
 - (iii) £7,950;
- E is the amount in pounds of the increase to which the individual is entitled (if greater than nil)."

(2) Article 129AA(4)(c) is deleted.

15 Article 129B (relief for non-residents) amended

For Article 129B(1)(b) there is substituted –

- “(b) “non-Jersey income”, in relation to a non-resident, means income (however derived and regardless of the jurisdiction in which it is derived) which is not Jersey income, including income that is exempt from income tax under this Law;”.

16 Article 130C (relevant earnings) substituted

For Article 130C there is substituted –

“130C Relevant earnings

In this Part, “relevant earnings”, in relation to an individual, means the individual's income assessed to tax that –

- (a) arises in respect of emoluments (but not pension income) from an office or employment held by the individual;
- (b) is charged under Schedule D and is immediately derived by the individual from the carrying on or exercise by the individual of a trade, profession or vocation, either as an individual or as a partner personally acting in a partnership; or
- (c) is charged Schedule A by virtue of Article 51(1)(b) (which applies to income from commercial dealings in Jersey land).”.

17 New Article 149B (savings and transitional provisions: taxation of certain married people and civil partners in 2025) inserted

After Article 149A there is inserted –

“149B Savings and transitional provisions: taxation of certain married people and civil partners in 2025

Schedule 7 contains savings and transitional provisions that alter the imposition of income tax for the 2025 year of assessment on people who are married or in a civil partnership.”.

18 New Schedule 7 (savings and transitional provisions: taxation of certain married people and civil partners in 2025) inserted

After Schedule 6 there is inserted the Schedule 7 contained in Schedule 1 to this Law.

19 Minor and consequential amendments

Schedule 2 contains minor and consequential amendments.

20 Citation and commencement

- (1) This Law may be cited as the Income Tax (Amendment – Stage 2 of Independent Taxation) (Jersey) Law 202-.
- (2) This Law comes into force as follows –
 - (a) paragraphs 1(7), 3, 4(4) and 5(6) of Schedule 2 come into force on 1st January 2026;
 - (b) the rest of this Law comes into force on 1st January 2025.

SCHEDULE 1

(Article 18)

NEW SCHEDULE 7 INSERTED

“SCHEDULE 7

(Article 149B)

SAVINGS AND TRANSITIONAL PROVISIONS: TAXATION OF CERTAIN MARRIED PEOPLE AND CIVIL PARTNERS IN 2025

1 Interpretation of this Schedule

- (1) In this Schedule –
 - “partner” means an individual who is a partner A or partner B to whom this Schedule applies;
 - “partner A” means –
 - (a) in a marriage between people of the opposite sex, the husband;
 - (b) in a marriage between people of the same sex, the older of the people; and
 - (c) in a civil partnership –
 - (i) the older of the civil partners, or
 - (ii) if the civil partners have made an election under Article 122A (as in force immediately before 1st January 2025), the younger of the civil partners;
 - “partner B” means –
 - (a) in a marriage between people of the opposite sex, the wife;
 - (b) in a marriage between people of the same sex, the younger of the people; and
 - (c) in a civil partnership –
 - (i) the younger of the civil partners, or
 - (ii) if the civil partners have made an election under Article 122A (as in force immediately before 1st January 2025), the older of the civil partners.
- (2) People who are married or in a civil partnership are living together for the purposes of this Schedule unless –
 - (a) they are separated under an order of a court of competent jurisdiction or by agreement of separation; or
 - (b) they are in fact separated and the separation is likely to be permanent.

2 Application of this Schedule

- (1) This Schedule applies to the 2025 year of assessment.

- (2) This Schedule applies to an individual (“A”) if –
 - (a) A entered into a marriage or civil partnership before 1st January 2022 with another individual (“B”);
 - (b) A and B have lived together without any periods of separation since 31st December 2021;
 - (c) neither A nor B became resident in Jersey after 31st December 2021; and
 - (d) A and B have not elected to be independently taxed.
- (3) A person has elected to be independently taxed if they have made an election under Article 121C, 121D, 121E, 121F, 122DA, 122DB, 122DC or 122DD, as in force immediately before 1st January 2025.

3 Partners to be taxed jointly

- (1) If the partners are living together during the 2025 year of assessment, partner B’s income is partner A’s income (and not partner B’s income) for the purposes of this Law.
- (2) Any tax falling to be assessed in respect of any income that, due to subparagraph (1), is partner A’s income, is assessable on partner A (and not on partner B).
- (3) This paragraph applies –
 - (a) to partner A’s trustee, guardian, delegate, heirs, executors and administrators as if those people are partner A; and
 - (b) to partner B’s trustee, guardian, delegate, heirs, executors and administrators as if those people are partner B.

4 Deductions from earnings

- (1) Despite paragraph 3, an employer is required to deduct tax from partner B’s earnings in accordance with Article 41B.
- (2) The rates determined under Articles 41C, 41CA and 41CB must be determined as if partner A is the employee (regardless of whether partner A is in employment).
- (3) The rate specified in a notice issued to a partner by the Comptroller under Article 41CC applies to both partners, unless the partners make an election under paragraph 5.

5 Joint election to adjust rates of deductions from earnings

- (1) Partners who are both in employment may jointly elect for the rate applicable to the earnings of one partner to be increased and the rate applicable to the earnings of the other partner to be correspondingly reduced.
- (2) If the Comptroller agrees to the adjusted rates proposed in an election, the Comptroller must issue a notice in writing of the rates applicable to each partner and the day from which the rates apply.

- (3) Article 41CD applies to a refusal by the Comptroller to issue a notice under sub-paragraph (2) as it applies to a refusal to determine a rate to apply to an employee.
- (4) The aggregate of the deductions made when applying the adjusted rates to the earnings of both partners must not be less than the aggregate of the deductions that would have been made if the adjustment had not been made.
- (5) An election stops having effect if –
 - (a) either partner stops being in employment;
 - (b) sub-paragraph (4) is not complied with;
 - (c) a new rate applies to the partners because of a further notice being issued under Article 41CC; or
 - (d) an effective rate under Article 41B(3)(b) applies.

6 Threshold for exemption from income tax

- (1) This paragraph applies if partner A proves that for the 2025 year of assessment –
 - (a) partner A and B live together; or
 - (b) partner A and B do not live together but –
 - (i) partner B is wholly maintained by partner A during the year, and
 - (ii) in computing the amount of partner A’s income for the purposes of this Law, partner A is not entitled to make any deductions in respect of sums paid for the maintenance of partner B.
- (2) If this paragraph applies, partner A’s exemption threshold for the purposes of Part 12 and Articles 129AA and 129A is £32,050 plus –
 - (a) if both partner A and partner B receive earned income for the year of assessment, the lowest of –
 - (i) £7,950,
 - (ii) an amount equal to partner A’s earned income for the year of assessment, or
 - (iii) an amount equal to partner B’s earned income for the year of assessment; and
 - (b) any increase to the threshold to which partner A is entitled under Part 12, except for Article 99.
- (3) If this paragraph applies, partner A’s exemption threshold for the purposes of Articles 129AA and 129A is the apportionment fraction of the amount calculated at sub-paragraph (2).
- (4) For the purposes of this paragraph, “earned income” of an individual does not include –
 - (a) earned income received or receivable by an individual from the individual’s partner; or
 - (b) the payment to an individual who is partner B of a benefit to which Article 77AA applies (Social Security allowances) unless the benefit is –

- (i) a Jersey old age pension payable to partner B by virtue of partner B's own insurance, or
- (ii) home carer's allowance payable to partner B.

7 Requirement to provide partner's information when entering or resuming employment

- (1) If Article 41H applies to a person to whom this Schedule applies, the person must, at the same time as providing the information required under that Article, notify the Comptroller in writing of –
 - (a) which partner is partner A and which partner is partner B; and
 - (b) the information listed in Article 41H(2) in respect of their partner.
- (2) The Comptroller may –
 - (a) require the information to be provided in a form and manner approved by the Comptroller; and
 - (b) require the person to sign a declaration that the information is true, complete and correct to the best of the person's knowledge.

8 Relevant earnings for purposes of Part 19

Despite paragraph 3, partner B's relevant earnings for the purposes of Part 19 (special provisions as to pensions and pension schemes, annuities, etc) are not partner A's relevant earnings.

9 Access of partner B to tax information

The Comptroller must, on request of a partner B who is living together with their partner A, provide information collected under this Law that relates to partner A for a period –

- (a) that is not before the 2021 year of assessment; and
- (b) during which the partners were living together and were married or in a civil partnership.

10 Relief for non-residents

For the purposes of Article 129B, "non-Jersey income" of partner A includes income of partner B that is not Jersey income (as defined in Article 129B(1)(a)).

11 Treatment of amounts received by Comptroller

Despite Article 41G(1), if the Comptroller receives an amount paid under Article 41A or 41B that has been deducted from a partner B, the Comptroller must apply the amount as a payment of income tax by partner A.

12 Proceedings for recovery of tax from partners

The powers of recovery provided in this Law for the non-payment of income tax by partner A extend to the property, goods and chattels of partner B if –

- (a) the unpaid income tax is charged on partner A in respect of income that, if not for paragraph 3(1), would be partner B's income;
- (b) the Comptroller serves partner B with a notice demanding payment of the unpaid income tax; and
- (c) partner B fails to pay the unpaid income tax within 7 days after the notice is served.”.

SCHEDULE 2

(Article 19)

MINOR AND CONSEQUENTIAL AMENDMENTS

1 Amendments to [Income Tax \(Jersey\) Law 1961](#)

- (1) In Article A15(1), definition “effective rate”, for “Article 41B(2)” there is substituted “Article 41B(3)”.
- (2) In Article 41CD(3), for “Article 41B(2)(b)” there is substituted “Article 41B(3)(b)”.
- (3) In Article 45(3)(b), for “Article 41B(5)” there is substituted “Article 41BA(1)”.
- (4) For Article 129B(1)(d) there is substituted –
 - “(d) “relevant threshold exemption”, for an individual, means the low income threshold as defined in Article 92A(2).”.
- (5) In Article 131K(4), for “sub-paragraph (a)” there is substituted “sub-paragraph (b)”.
- (6) In Schedule 1A, Part 1, Paragraph 3(2), for “Article 41B(3)” there is substituted “Article 41B”.
- (7) In Article 3(1), definition “marginal income deduction”, “90AA,” is deleted.

2 Amendment to Finance (2016 Budget) (Jersey) Law 2016

Article 5(3) of the Finance (2016 Budget) (Jersey) Law 2016 is deleted.

3 Amendments to [Income Tax \(Purchased Life Annuities\) \(Jersey\) Order 1959](#)

- (1) This paragraph amends the [Income Tax \(Purchased Life Annuities\) \(Jersey\) Order 1959](#).
- (2) In Article 9, “, subject to Article 13,” is deleted in both places.
- (3) In Article 10, “, and subject to Article 13,” is deleted.
- (4) Articles 13, 13A and 15(a)(ii) and (iii) are deleted.
- (5) In Part 1 of the Schedule, for item 6 there is substituted –
 - “6. The name and address of the annuitant and, if the annuitant has a spouse or civil partner, the name and address of the spouse or civil partner.”.

4 Amendments to [Social Security \(Jersey\) Law 1974](#)

- (1) This paragraph amends the [Social Security \(Jersey\) Law 1974](#).
- (2) In Article 8AA(3), for “the 1961 Law as modified by Article 49B of that Law” there is substituted “Article 49B and Schedule 1A of the 1961 Law”.
- (3) In Article 8AB(1), for “Schedule 1D and the said Article 41B as modified by Article 49B of that Law” there is substituted “Schedule 1D of this Law and Article 49B(2A) of the 1961 Law”.
- (4) In Schedule 1C –
 - (a) paragraphs 1(2) and 3(5) are deleted;

(b) in paragraph 3(4), “, subject to sub-paragraph (5),” is deleted.

5 Amendments to [Social Security \(Residence and Persons Abroad\) \(Jersey\) Order 1974](#)

- (1) This paragraph amends the [Social Security \(Residence and Persons Abroad\) \(Jersey\) Order 1974](#).
- (2) In Article 2A(1)(c), “, whether by virtue of Article 121 or the operation of the proviso to Article 122” is deleted.
- (3) In Article 2A(1) and (1A), for “spouse A” there is substituted “partner A” in each place.
- (4) In Article 2A(1) and (1A), for “spouse B” there is substituted “partner B” in each place.
- (5) Article 2A(2) and (3) are deleted.
- (6) Article 2A is deleted.

6 Amendments to [Social Security \(Television Licence Benefit – Income Threshold\) \(Jersey\) Order 2021](#)

- (1) For Article 2(b) of the [Social Security \(Television Licence Benefit – Income Threshold\) \(Jersey\) Order 2021](#) there is substituted –
 - “(b) the low income threshold, as defined in Article 92A(2) of the Income Tax Law.”.
- (2) For Article 3(b) of the [Social Security \(Television Licence Benefit – Income Threshold\) \(Jersey\) Order 2021](#) there is substituted –
 - “(b) the low income threshold, as defined in Article 92A(2) of the Income Tax Law, multiplied by 1.7.”.