

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

6th November, 2018

Proposition No. P.2018/108

Policy & Resources Committee

The States of Guernsey Annual Budget for 2019

AMENDMENT

Proposed by: Deputy G A St Pier

Seconded by: Deputy L S Trott

1. To replace “£11,000” as the Personal Allowance in Section 1 of the table in the First Schedule to Proposition 26 with “£10,830”; to replace “£450” as the Age-related allowance in Section 2 of the table in the First Schedule to Proposition 26 with “£620”; and to replace “£7,450” with “£7,280” wherever it appears in Section 3 (Dependent Relative Allowance) of the table in the First Schedule to Proposition 26.”

Explanatory note

The Policy & Resources Committee will unanimously vote against Amendment No. 3 (de Lisle/Paint). This amendment will be laid if Amendment No. 3 is successful.

THIS AMENDMENT IS BEING SUBMITTED SOLELY IN ORDER TO PRESERVE THE OVERALL FINANCIAL POSITION AS SET OUT IN THE ANNUAL BUDGET FOR 2019.

If the States have supported the proposal from Deputies De Lisle and Paint, consideration needs to be given to how its cost of £1,025,000 is funded. Therefore, in order to preserve the overall budgeted revenues and surplus for the States for 2019, a £170 reduction in the standard Personal Allowance would be required to fund this change which would increase the differential between the standard and age-related allowance to £620.

This would reduce the increase in the standard Personal Allowance to £330 and result

in a Personal Allowance of £10,830 in 2019.

The tables below show the cumulative impact on the personal allowance and/or the surplus/deficit if the amendments proposing changes to revenue income are approved:

Individual effect of amendments on personal allowances			Effect on Personal Income Tax Allowance	
			Standard	Aged over 64
Amendment:			£	£
22	Merrett / Tooley	Fuel Duty	(150)	-
1	Ferbrache / Kuttelwascher	Petrol Duty	(110)	-
3	De Lisle / Paint	Domestic TRP	(170)	-
12	De Lisle / Paint	Age Related Allowances	(125)	375

Cumulative (maximum) effect of amendments on personal allowances			Personal Income Tax Allowance	
			Standard	Aged over 64
			£	£
Current (2018) tax allowances pre-Budget			10,500	11,450
Proposal per 2019 Budget Report			11,000	11,450
Amendment:				
22	Merrett / Tooley	Fuel Duty	(150)	-
3	De Lisle / Paint	Domestic TRP	(170)	-
12	De Lisle / Paint	Age Related Allowances	(125)	375
After Amendments			10,555	11,825

Individual effect of amendments on general revenue			Loss of revenue	
			2019	Ongoing
Amendment:			£'000	£'000
22	Merrett / Tooley	Fuel Duty	(900)	(900)
3	De Lisle / Paint	Domestic TRP	(1,025)	(1,025)
12	De Lisle / Paint	Age Related Allowances	(800)	(800)
1	Ferbrache / Kuttelwascher	Petrol Duty	(600)	(600)
15	Merrett / Yerby	Personal Income Tax Allowances	-	(3,250) #
16	Merrett / Yerby	Personal Income Tax Allowances	-	(1,850) #
Cumulative (maximum) effect of amendments on general revenue			Loss of revenue	
			2019	Ongoing
Per 2019 Budget Report			£'000	£'000
Amendment:				
22	Merrett / Tooley	Fuel Duty	(900)	(900)
3	De Lisle / Paint	Domestic TRP	(1,025)	(1,025)
12	De Lisle / Paint	Age Related Allowances	(800)	(800)
15	Merrett / Yerby	Personal Income Tax Allowances	-	(3,250) #
After Amendments			(2,725)	(5,975)
#			There is an ongoing effect as the 2019 cost is being funded by a reduction in the transfer to the Core Investment Reserve. The amendment does not identify a source for funding the ongoing cost.	