

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

15th December, 2020

Proposition No. P.2020/193

Policy & Resources
Committee

The States of Guernsey Annual Budget for 2021

AMENDMENT

Proposed by: Deputy P J Roffey

Seconded by: Deputy H L de Sausmarez

1. In proposition 10, in the table of personal allowances set out in the First Schedule, for the allowances set out at items 1 to 5 of that table substitute the following –

“NATURE OF ALLOWANCE

AMOUNT OF ALLOWANCE

1. Personal Allowance*^

Tax at the standard rate on £11,950.

2. Dependent Relative Allowance*

In respect of each dependent relative - tax at the standard rate on £3,875 or on the amount of the contributions whichever is less:

Provided that if the income of the dependent relative (exclusive of any contribution) exceeds £8,075 the allowance shall be reduced to tax at the standard rate on such sum as remains after subtracting from £3,875 the sum of £1 for every pound by which the dependent relative's income exceeds £8,075.

3. Infirm Person's Allowance*

Tax at the standard rate on £3,875.

4. Housekeeper Allowance

Tax at the standard rate on £3,875.

5. Charge of Children Allowance*

Tax at the standard rate on £8,125.”

2. In proposition 11 –

- a) immediately after ""The Excise Duties (Budget) Ordinance, 2020"" insert ", subject to the amendment indicated below," and
- b) immediately after the proposition, insert the following amendment to the Ordinance -

"Amendment

In section 1 of the Ordinance, for paragraphs 1, 4, 5, 6 and 7 of the tables set out in that section substitute the following paragraphs:

"1. Tobacco and tobacco products -

(a)	Cigarettes	£407.72 per kilo
(b)	Cigars	£407.72 per kilo
(c)	Hand rolling tobacco	£395.80 per kilo
(d)	Other manufactured tobacco	£343.31 per kilo
(e)	Tobacco leaf – unstemmed	£381.12 per kilo
(f)	Tobacco leaf – stemmed	£384.94 per kilo

4. Beer –

(a)	Beer brewed by an independent small brewery exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume	27p per litre
(b)	Beer, other than beer brewed by an independent small brewery, exceeding 1.2 per cent volume but not	56p per litre

- exceeding 2.8 per cent
volume
- (c) Beer brewed by an independent small brewery exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume 44p per litre
- (d) Beer, other than beer brewed by an independent small brewery, exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume 90p per litre
- (e) Beer brewed by an independent small brewery exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume 57p per litre
- (f) Beer, other than beer brewed by an independent small brewery, exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume £1.12 per litre
- (g) Beer exceeding 7.5 per cent volume £1.30 per litre

5. Spirits -

Spirits	£40.49 per litre of alcohol contained in the liquor, calculated in accordance with section 23D
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6. Cider -

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| (a) Cider produced by an independent small cider-maker exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume | 27p per litre |
| (b) Cider, other than cider produced by an independent small cider-maker, exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume | 56p per litre |
| (c) Cider produced by an independent small cider-maker exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume | 44p per litre |

- | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| (d) | Cider, other than cider produced by an independent small cider-maker, exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume | 90p per litre |
| (e) | Cider produced by an independent small cider-maker exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume | 57p per litre |
| (f) | Cider, other than cider produced by an independent small cider-maker, exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume | £1.12 per litre |
| (g) | Cider exceeding 7.5 per cent volume | £1.30 per litre |

7. Wines -
- | | | |
|-----|------------------------------------------------------------------------------------------------------------|-------------------|
| (a) | Light wines not exceeding 5.5 per cent volume | 70p per litre |
| (b) | Light wines exceeding 5.5 per cent volume but not exceeding 15 per cent volume (including sparkling wines) | £2.85 per litre |
| (c) | Other wines | £4.55 per litre". |

Explanatory note

This Amendment is proposing that the excise duty on Tobacco and tobacco products is increased by 4.5% (instead of 1.5% as recommended in the 2021 Budget Report) and the excise duty on Alcohol is increased by 3% (instead of 1.5% as recommended in the 2021 Budget Report). It is proposed that the additional revenues raised, which are estimated to be £425,000 (assuming no effect on volumes), are used to fund a 3.2% increase (instead of 2.6% as recommended in the 2021 Budget Report) in Personal Income Tax Allowances.