

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

29th September, 2021

**Proposition No. P.2021/97**

**POLICY & RESOURCES COMMITTEE**

THE TAX REVIEW

**MOTION UNDER ARTICLE 7(1) OF THE REFORM (GUERNSEY) LAW, 1948**

Proposed by: Deputy M A J Helyar

Seconded by: Deputy P T R Ferbrache

To suspend the Rules of Procedure to the extent necessary to permit the Proposition set out below to be considered.

**AMENDMENT**

Proposed by: Deputy M A J Helyar

Seconded by: Deputy P T R Ferbrache

To delete all Propositions and replace with:

1. To note the Tax Review policy letter and direct the Policy & Resources Committee, taking into account the views expressed by Members in debate, to:
  - i. Investigate the options for raising additional revenue from corporates, having due regard for the need to retain an internationally acceptable and competitiveness tax environment;
  - ii. Undertake a period of extensive consultation and engagement with States Members, the business community and wider public stakeholders; and
  - iii. Report back to the States with detailed proposals for a restructure of the tax base and its phased implementation, by no later than July 2022.

#### **Rule 4 Information**

In line with Section 14 of the policy letter:

In accordance with Rule 4(1)(a), the Proposition in this amendment responds to Resolutions of the States made in relation to the Fiscal Policy Framework, as noted and explained throughout the Policy Letter. The review of taxation is a critical component of the action in the States' Government Work Plan (Billet d'État XV of 2021) to 'Agree a sustainable taxation policy'. This action forms part of the Priority area: 'Reshaping Government', which the States have resolved is one of the four main priorities for government at this time (Billet d'État VI of 2021).

In accordance with Rule 4(1)(b), the Proposition has been developed in response to feedback on the structure and content of the original Propositions.

In accordance with Rule 4(1)(c), the Proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.

Rule 4(1)(d) concerns the financial implications to the States of carrying into effect the proposals. As set out in paragraph 12.3 of the Policy Letter, it is estimated that £250,000 will be needed to develop the work to the point where the States can make a final decision on the proposals. The amended Proposition has no impact on this estimate.

#### **Explanatory note**

This amendment seeks to reflect comments and concerns expressed during debate including that the propositions are too prescriptive and a desire for greater consultation and engagement prior to substantive decisions being made to restructure the tax base. It also makes it explicit that the Policy & Resources Committee will take into account views voiced during debate including the desire expressed by some Members to raise additional revenue from corporates.