

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

25th January 2023

Proposition No. P.2022/112

Policy & Resources Committee

The Tax Review: Phase 2

AMENDMENT

Proposed by: Deputy R G Prow
Seconded by: Deputy A C Dudley-Owen

In Proposition 2. A) ii. immediately after “The introduction”, insert: “, by way of Ordinance under the General Sales Tax (Enabling Provisions) (Guernsey and Alderney) Law, 2009,”.

Rule 4(1) Information

- a) The proposition contributes to the States’ objectives and policy plans to the same extent as the original proposition it seeks to amend.
- b) In preparing the proposition, consultation has been undertaken with the Policy & Resources Committee.
- c) The proposition has been submitted to His Majesty’s Procureur for advice on any legal or constitutional implications.
- d) There are no financial implications to the States of carrying the proposal into effect.

Explanatory note

The amendment is intended to ensure that the rate of any General Sales Tax (GST) agreed by the States and the classes of goods and services to which it might apply, can only be set and applied and subsequently amended by way of Ordinance made under the General Sales Tax (Enabling Provisions) (Guernsey and Alderney) Law, 2009. If the amendment is successful, and the Proposition which it amends is approved, the

consequence is that implementation of a GST regime and changes to that regime, will take place in accordance with Policy Letters submitted to the States of Deliberation for debate by States Members and Ordinances which all States Members will also have an opportunity to debate and approve as they see fit. This will ensure there is a robust mechanism available to maintain the introduction of GST as a “low-rate scheme” (as described in Sec 6.18 of the Policy letter) and any amendments considered in isolation to the annual States budget setting exercise.