

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

SURSIS MOTIVÉ

Proposed by: Deputy C P Meerveld

Seconded by: Deputy C P A Blin

To sursis propositions 2, 3, 5 and 6 until the States meeting to be held on 30 April 2025 or earlier and to:

- 1) To direct the Policy & Resources Committee in the intervening period to work with Principal Committees and in consultation with all States Members to establish a set of principles to help determine the appropriate size of government and consequential level of services and to report to the States with three separate options for the size of and levels of service to be provided by Government and an assessment of how much revenue, if any, is required to deliver each of these options excluding introduction of a good and services tax in the period to 2040, no later than December 2024.

Rule 4(1) Information

- a) The proposition contributes to the States' objectives and policy plans by delivering on the action in the Government Work Plan to "Reshaping government- sustainable government finances" (priority 4).
- 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) It has been estimated that the completion of the additional workstream required will cost £500,000 to £750,000.

Explanatory Note

The proposer and seconder of this Sursis Motive share the overwhelming public concern regarding the introduction of a Goods and Service Tax and believe it would be folly to implement it just prior to the next election when it is a distinct possibility that the next Assembly will reverse it under public pressure.

We believe a discussion is needed about public expectations regarding the benefits and services our government provides and the associated costs before a decision is made which will fundamentally change the way the way Guernsey raises taxes for generations to come.

This proposition instructs the Policy and Resources Committee to develop and present three separate options for the size of and levels of service to be provided by Government with cost assessments and taxation proposals to address in a more strategic way the systemic issues our economy faces due to demographic changes plus demands for and ever-increasing government intervention in many aspects of people's lives.

If adopted, it would enable this Assembly to engage with the public in a broad discussion regarding the size and style of government they want, the levels of services and benefits they expect and how much they are willing to pay for them so a decision on how best to proceed can be reached before the end of this political term.