

M57 **INDEPENDENT TAXATION AND THE OPEN MARKET TAX CAP**

Introduction

The open market tax cap is available to individuals who are resident in Guernsey and who have paid £50,000 in document duty on purchasing a property on Part A of the Open Market Register. The property must be purchased on a date up to 12 months prior to, or after, they take up permanent residence in Guernsey and that individual must not have been resident in Guernsey in the previous 3 years.

Independent Taxation was introduced with effect from 1 January 2023. Grandfathering provisions are in place for those couples who were previously jointly assessed and were eligible for the open market cap, ensuring those individuals continued to be eligible for one cap on their joint income to the end of the relevant 4 year period.

Any married couples/civil partners arriving in Guernsey after 1 January 2023 and purchasing a relevant property in 2023 or later, will be independently assessed and each spouse will be liable for the open market cap, so long as the conditions for the cap are satisfied.

Clarification

Where spouses arrive in Guernsey and purchase a property in joint names, after 1 January 2023, as long as at least £50,000 is paid in document duty (and all other relevant conditions are satisfied), the Director is prepared to accept that each individual has satisfied the amount required to enable them to pay the open market cap, i.e. they do not have to pay £50,000 document duty each.

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