

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

7th November, 2023

Proposition No. P.2023/114

Policy & Resources Committee

The States of Guernsey Annual Budget for 2024

AMENDMENT

Proposed by: Deputy C Le Tissier

Seconded by: Deputy D de Lisle

To delete Proposition 6 and substitute:

"6. To abolish the limit set out in paragraph 1 of the Sixth Schedule to the Income Tax (Guernsey) Law, 1975 on the amount of income tax payable by an individual resident in Guernsey in respect of qualifying and non-qualifying income with effect from 1st January 2025."

OR if that is not approved

To delete Proposition 6 and substitute:

"6. To phase out the limit set out in paragraph 1 of the Sixth Schedule to the Income Tax (Guernsey) Law, 1975 on the amount of income tax payable by an individual resident in Guernsey in respect of qualifying and non-qualifying income over a 5-year period commencing 1st January 2025 by reducing the proportion of the limit that may be claimed to 80% (in the year of charge 2025), 60% (2026), 40% (2027), 20% (2028) and 0% (2029 and thereafter), and to agree that no new such limit may be claimed or applied with effect from 1st January 2024."

OR if that and the amendment preceding it are not approved

To delete Proposition 6 and substitute:

"6. To increase the limit set out in paragraph 1 of the Sixth Schedule to the Income Tax (Guernsey) Law, 1975 on the amount of income tax payable by an individual resident in Guernsey in respect of qualifying income from £150,000 to £250,000 and, in the case of such an individual in respect of qualifying and non-qualifying income, from £300,000 to £500,000 with effect from 1st January 2024."

Rule 4(1) Information

- a) The proposition does contribute to the States' objectives and policy plans by ensuring that the States income is maximised and the tax policy is made more transparent and fairer.
- b) In preparing the proposition, the Policy and Resources Committee has been advised.
- c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) There are unquantified but positive financial implications to the States of Guernsey in carrying the proposal into effect.

Explanatory note

The purpose of the amendments is –

- (a) to abolish the limits set out in paragraph 1 of the Sixth Schedule to the Income Tax (Guernsey) Law, 1975 on the amount of income tax payable by an individual resident in Guernsey ("the tax cap") with effect from 1st January 2025; or
- (b) if the amendment at (a) fails, to phase out the tax cap over a 5-year period commencing 1st January 2025 and to agree that no new claim to the tax cap may be made with effect from 1st January 2024; or
- (c) if the amendments at (a) and (b) fail, to increase the tax cap in respect of qualifying income from £150,000 to £250,000 and, in respect of qualifying and non-qualifying income, from £300,000 to £500,000 with effect from 1st January 2024.