

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 V S Oliver

Seconded by: Deputy J F Dyke

1. To insert the following Proposition immediately after Proposition 18:-
 - “18A. To agree that for the purpose of determining liability to any enhanced rate of Tax on Real Property, a property which is unoccupied solely because it is undergoing renovation shall be deemed to be occupied until renovation is completed and to direct the Policy & Resources Committee to take this principle into account when it issues guidance under section 45 of the Tax on Real Property (Guernsey & Alderney) Ordinance, 2007 for the purpose of what constitutes an unoccupied building.”

2. (a) To add the following at the end of Proposition 18:-

“provided that for enhanced TRP on unoccupied residential buildings (see paragraph 2.54) and unoccupied commercial buildings (see paragraph 2.55), the relevant periods during which a building has not been occupied as a person’s principal private residence or place of business, as the case may be, shall be 12 months in both cases.”, and
- (b) to add the following at the end of Proposition 20:-

“subject to substitution of clause 3(c)(iii) with the following:-

 - “(iii) **“unoccupied”** means -
 - (a) in relation to a residential building, where it has not been occupied as a person’s principal private residence for a continuous period of at least 12 months ending on the 31st December of the year in respect of which

property tax is calculated, except where the building is unoccupied for a reason set out in guidance made under section 45, and

- (b) in relation to a commercial building, where it has not been occupied as a place of business for a continuous period of at least 12 months ending on the 31st December of the year in respect of which property tax is calculated in accordance with guidance made under section 45, and for these purposes a "**place of business**" means a place from which a business, employment or trade is carried out,".

Rule 4(1) Information

- (a) The propositions contribute to the States' objectives and policy plans by creating a fairer basis upon which liability for tax is based.
- b) In preparing the proposition(s), representations from industry have been taken into account and there has been verbal consultation 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) The financial implications to the States of carrying the proposal into effect are unknown but are likely to reduce the amount of TRP collected by the States.

Explanatory note

The first amendment is to avoid the enhanced rate of TRP becoming payable on a building on the basis that the landlord is investing in the property by renovating it and it is not let within the relevant period.

The second amendment is to extend the relevant period for the purposes of determining whether a building is unoccupied from six to 12 months. This extension will give the landlord or agent further time to advertise the property, carry out the necessary checks and draw up a lease.