

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 J A B Gollop

Seconded by: Deputy A Matthews

To insert the following Propositions:

“5A. To introduce a higher individual standard rate of income tax at 22% on taxable income above £80,000 per annum from 1 January 2025.

5B. To direct the Policy & Resources Committee to submit to the States by the end of 2024 proposals to increase the higher individual standard rate of income tax from 22% to 25%, setting out the economic impacts of those proposals.”

Rule 4(1) Information

- a) These propositions contribute to the States objectives and policy plans and are in line with the Government Work Plan priorities.
- b) In preparing these propositions no consultation has been undertaken.
- c) The propositions have been submitted to His Majesty’s Procureur for advice on any legal or constitutional implications.
- d) It is estimated that the first proposition may raise £5-10m per annum. This includes an estimate of a basic behavioural adjustment, although there has been insufficient time to fully validate any modelling of the financial and economic impact this amendment might have.

Explanatory note

This amendment seeks to raise additional revenues through the introduction of a temporary 22% higher rate of personal income tax, with analysis of the options in the future.