Separate Assessments for married couples

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I am married but would like to be assessed separately from my spouse, is this possible?
Yes, it is possible to be separately assessed. You will be allocated a new tax reference number, which will be linked to your spouse’s reference, but you will each be responsible for completing your own income tax returns and as a result, will receive your own assessments, statements, etc. As each individual’s income tax affairs will be kept separate, you will not be able to discuss your spouse’s income tax affairs with us, unless a form of authority is in place.

Will being separately assessed affect the total amount of income tax that we have to pay?
No (unless you are subject to the tax cap or standard charge, see below). A married couple will in total pay the same amount of income tax whether they are assessed jointly or separately. If you choose to be separately assessed you will each receive a ‘Personal Allowance’, which is calculated to give you your allowance monthly or weekly, depending on when you get paid. When a final assessment is issued, if one of you hasn’t used your allowance in full, then the unused proportion of the allowance will be automatically transferred to your spouse. For this reason both income tax returns will need to be submitted before your assessment can be finalised.

Should a separately assessed couple be subject to the tax cap (currently £260,000) or the standard charge (currently £30,000) then you would each be capped or pay the standard charge, as opposed to just paying one cap/standard charge if you were jointly assessed. This is because where an application is made to be separately assessed, the individuals involved shall be assessed and taxed “as if they were not married”.

How do I apply to be separately assessed and is there a deadline?
If you are married and wish to be separately assessed, a written request must be submitted to us before the 31 March of the year for which you want separate assessment to start.

For example: To be separately assessed for the Year of Charge 2020 a written request must be received by us by 31 March 2020. If the request is received after the 31 March 2020, then you will be jointly assessed for 2020 and your separate assessment will start from 2021.
If I am separately assessed, how do I declare interest earned on joint accounts?

You should only declare your own income on your income tax return. If you are separately assessed and hold a joint bank account with your spouse, you should only declare your share of the interest, likewise, if you hold a joint mortgage you should each claim only your share of the interest paid.

What do I do if I am separately assessed but no longer want to be?

The same person who made the original request for separate assessments must write to the Director to withdraw the original application. If a letter of withdrawal is received after 31 March 2020 you will not be able to be assessed jointly for 2020. Your joint assessment will begin from 2021.