



Jersey

**FINANCE (2014 BUDGET) (JERSEY) LAW 2014****Arrangement****Article**

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## FINANCE (2014 BUDGET) (JERSEY) LAW 2014

A LAW to set the rate of income tax for 2014 and to amend the Customs and Excise (Jersey) Law 1999, the Goods and Services Tax (Jersey) Law 2007, the Taxation (Land Transactions) (Jersey) Law 2009 and the Stamp Duties and Fees (Jersey) Law 1998

*Adopted by the States*

*5th December 2013*

*Sanctioned by Order of Her Majesty in Council*

*5th March 2014*

*Registered by the Royal Court*

*14th March 2014*

**THE STATES**, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

### **1 Standard rate of income tax for 2014**

There shall be levied and charged in Jersey for the year 2014, in accordance with and subject to the provisions of the Income Tax (Jersey) Law 1961<sup>1</sup>, income tax at the standard rate of 20 pence in the pound.

### **2 Income tax: exemption thresholds and marginal rate**

(1) In Article 92A of the Income Tax (Jersey) Law 1961<sup>2</sup> –

- (a) in paragraph (2)(i), for the amount “£25,280” there shall be substituted the amount “£25,700”;
- (b) in paragraph (2)(ii), for the amount “£22,090” there shall be substituted the amount “£22,400”;
- (c) in paragraph (2A)(i), for the amount “£23,480” there shall be substituted the amount “£25,700”;
- (d) in paragraph (2A)(ii), for the amount “£20,510” there shall be substituted the amount “£22,400”;
- (e) in paragraph (6)(a), for the amount “£15,370” there shall be substituted the amount “£15,600”;
- (f) in paragraph (6)(b), for the amount “£13,780” there shall be substituted the amount “£14,000”.

- (2) In Article 92C(1) of the Income Tax (Jersey) Law 1961<sup>3</sup>, for the figure “27%” there shall be substituted the figure “26%”.
- (3) This Article shall have effect for the year of assessment 2014 and ensuing years.

### 3 Excise duty: alcohol

In Part 2 of Schedule 1 to the Customs and Excise (Jersey) Law 1999<sup>4</sup> –

- (a) in each paragraph specified in column 1 of the following table, and in relation to each item listed in that column, for an existing amount listed in column 2 of the table there shall be substituted the amount listed in column 3 of the table –

<i>1</i>	<i>2</i>	<i>3</i>
<i>Paragraph of Part 2 of Schedule 1, and item</i>	<i>Existing amount</i>	<i>Substituted amount</i>
<b>1 Spirits</b>		
(a) small independent distiller	£14.38	£15.96
(b) all other	£28.73	£31.89
<b>2 Wines</b>		
exceeding 1.2% volume but not exceeding 5.5% volume	£69.99	£72.51
exceeding 5.5% volume but not exceeding 15% volume	£183.68	£190.29
exceeding 15% volume but not exceeding 22% volume	£225.09	£233.19
exceeding 22% volume	£28.73	£31.89;

- (b) for paragraphs 3, 4 and 5 there shall be substituted the following paragraphs –

#### “3 Beer

There shall be charged –

- (a) on all beer, produced by a small independent brewer, which is imported into or produced or manufactured in Jersey, excise duty at the rate of –
- (i) £14.92 per hectolitre of beer exceeding 1.2% volume but not exceeding 2.8% volume,
  - (ii) £29.83 per hectolitre of beer exceeding 2.8% volume but not exceeding 4.9% volume, and
  - (iii) £49.76 per hectolitre of beer exceeding 4.9% volume; and

- (b) on all other beer imported into or produced or manufactured in Jersey, excise duty at the rate of –
  - (i) £29.83 per hectolitre of beer exceeding 1.2% volume but not exceeding 2.8% volume,
  - (ii) £59.67 per hectolitre of beer exceeding 2.8% volume but not exceeding 4.9% volume, and
  - (iii) £99.51 per hectolitre of beer exceeding 4.9% volume.

#### 4 Cider

There shall be charged –

- (a) on all cider, produced by a small independent cider-maker, which is imported into or produced or manufactured in Jersey, excise duty at the rate of –
  - (i) £13.96 per hectolitre of cider exceeding 1.2% volume but not exceeding 2.8% volume,
  - (ii) £27.92 per hectolitre of cider exceeding 2.8% volume but not exceeding 4.9% volume, and
  - (iii) £46.56 per hectolitre of cider exceeding 4.9% volume; and
- (b) on all other cider, imported into or produced or manufactured in Jersey, excise duty at the rate of –
  - (i) £27.92 per hectolitre of cider exceeding 1.2% volume but not exceeding 2.8% volume,
  - (ii) £55.85 per hectolitre of cider exceeding 2.8% volume but not exceeding 4.9% volume, and
  - (iii) £93.11 per hectolitre of cider exceeding 4.9% volume.

#### 5 Other alcoholic beverages

There shall be charged, on all alcoholic beverages imported into or produced or manufactured in Jersey (other than wines, beer or cider) exceeding 1.2% volume but not exceeding 5.5% volume, excise duty at the rate of £31.89 per litre of alcohol.”

#### 4 Excise duty: tobacco

In paragraph 6 of Part 2 of Schedule 1 to the Customs and Excise (Jersey) Law 1999<sup>5</sup>, for the table there shall be substituted the following table –

<i>“Type of tobacco</i>	<i>Rate of excise duty per kilogramme</i>
(a) unprocessed tobacco	£251.44
(b) cigars	£272.06

(c) cigarettes	£340.20
(d) hand-rolling tobacco	£289.17
(e) processed tobacco other than types (b) to (d)	£263.31”.

## 5 Excise duty: hydrocarbon oil

In paragraph 7(1) of Part 2 of Schedule 1 to the Customs and Excise (Jersey) Law 1999<sup>6</sup>, for clauses (a) to (d) there shall be substituted the following clauses –

“(a) on higher octane ultra low sulphur petrol	£45.37 per hectolitre
(b) on all other ultra low sulphur petrol	£43.57 per hectolitre
(c) on ultra low sulphur diesel	£43.57 per hectolitre
(d) on all other types of hydrocarbon oil	£47.14 per hectolitre.”.

## 6 Excise duty: motor vehicles

In paragraph 8 of Part 2 of Schedule 1 to the Customs and Excise (Jersey) Law 1999<sup>7</sup> –

- (a) after sub-paragraph (3), for Table 1 there shall be substituted the following table –

“TABLE 1 LPVs FIRST REGISTERED ON OR AFTER 1st MARCH 2001				
1 CO <sub>2</sub> mass emission figure	2 LPV first registered in Jersey	3 LPV first registered outside Jersey 1 year or less ago	4 LPV first registered outside Jersey more than 1 but 2 years or less ago	5 LPV first registered outside Jersey more than 2 years ago
120g or less	£0	£0	£0	£0
More than 120g but not more than 150g	£46	£46	£28	£23
More than 150g but not more than 165g	£139	£139	£92	£69
More than 165g but not more than 185g	£208	£208	£133	£105
More than 185g but not more than 225g	£348	£348	£226	£174

More than 225g but not more than 250g	£695	£695	£453	£348
More than 250g but not more than 300g	£1,158	£1,158	£753	£579
More than 300g	£1,448	£1,448	£944	£723.”

(b) after sub-paragraph (4), for Table 2 there shall be substituted the following table –

“TABLE 2 ALL OTHER MOTOR VEHICLES				
1 Cylinder capacity of engine	2 Vehicle first registered in Jersey	3 Vehicle first registered outside Jersey 1 year or less ago	4 Vehicle first registered outside Jersey more than 1 but 2 years or less ago	5 Vehicle first registered outside Jersey more than 2 years ago
1000cc or less	£0	£0	£0	£0
More than 1000cc but not more than 1400cc	£174	£174	£116	£87
More than 1400cc but not more than 1800cc	£290	£290	£191	£145
More than 1800cc but not more than 2000cc	£440	£440	£284	£221
More than 2000cc but not more than 2500cc	£579	£579	£376	£290
More than 2500cc but not more than 3000cc	£868	£868	£568	£435
More than 3000cc but not more than 3500cc	£1,158	£1,158	£753	£579
More than 3500cc	£1,448	£1,448	£944	£723.”

## 7 Stamp duty and land transactions tax: first time buyers

(1) In the table in Part 1 of the Schedule to the Stamp Duties and Fees (Jersey) Law 1998<sup>8</sup> –

- (a) in item 1, in paragraph (a)(iv) in the second column, for the words “1st January 2014” there shall be substituted the words “1st January 2015”;

- (b) in item 13, in paragraphs (b)(ii), (d)(iii) and (m)(ii) in the second column, for the words “1st January 2014” there shall be substituted the words “1st January 2015”.
- (2) In the Schedule to the Taxation (Land Transactions) (Jersey) Law 2009<sup>9</sup>, in paragraphs 4(3)(c)(i) and 5(2)(c)(i), for the words “1st January 2014” there shall be substituted the words “1st January 2015”.

## 8 Goods and services tax: incorporation of goods in dwellings

In the Goods and Services Tax (Jersey) Law 2007<sup>10</sup> –

- (a) after Article 39 there shall be inserted the following Article –

### “39A Goods incorporated in dwellings

Input tax on the supply or importation of goods shall be excluded from credit under Article 34 if –

- (a) the goods are not building materials;
- (b) a taxable person, constructing a building or effecting any works to a building, incorporates the goods in any part of that building or its site; and
- (c) that person constructs the building or effects the works for the purpose of making a supply falling within any one more of the following clauses of paragraph 1(1) of Schedule 6 –
  - (i) clause (a), but only where the supply is of a major interest (as defined in paragraph 1A of that Schedule),
  - (ii) clause (c), and
  - (iii) clause (d).”;
- (b) after paragraph 2(1A) of Schedule 6 there shall be inserted the following sub-paragraph –
  - “(1B) Sub-paragraph (1) shall not apply to the grant of a major interest in a part of land to the extent that that part consists of goods, other than building materials, that were incorporated in that part for the purpose of making that grant.”.

## 9 Goods and services tax: construction and existing buildings

In the Goods and Services Tax (Jersey) Law 2007<sup>11</sup> –

- (a) at the end of Article 51 there shall be added the following paragraphs –
  - “(3) For the purpose of paragraph (2) –
    - (a) the references to an existing building include any part of a building that remains above ground level; and
    - (b) any works carried out on a site that includes such an existing building are to be treated as falling within paragraph (2)(a) or (b) unless the existing building is demolished completely to ground level.



- (4) Paragraph (3) does not apply if –
  - (a) the person started constructing the dwelling before the date on which that paragraph came into force; and
  - (b) the supply or importation of the goods takes place within 2 years after that date.”;
- (b) after paragraph 2(4A) of Schedule 6 there shall be inserted the following sub-paragraphs –
  - “(4B) For the purposes of sub-paragraph (4), but not for the purposes of sub-paragraph (4A) –
    - (a) the references to an existing building include any part of a building that remains above ground level; and
    - (b) any works carried out on a site that includes such an existing building are to be treated as falling within sub-paragraph (4)(a) or (b) unless the existing building is demolished completely to ground level.
  - (4C) For the purpose of sub-paragraph (2), sub-paragraph (4B) does not apply to sub-paragraph (4) if –
    - (a) the construction of the building was started before date on which sub-paragraph (4B) comes into force; and
    - (b) the supply of the services takes place within 2 years after that date.”.

#### **10 Goods and services tax: date of cancellation of registration**

In paragraphs 19(1) and (2) of Schedule 1 to the Goods and Services Tax (Jersey) Law 2007<sup>12</sup>, for the words “an earlier date” there shall be substituted the words “an earlier or later date”.

#### **11 Goods and services tax: effect of importation under approval arrangement**

In Schedule 2 to the Goods and Services Tax (Jersey) Law 2007<sup>13</sup> –

- (a) in paragraph 8(7) the words “except if the person is entitled to credit for the whole or any part of the GST on the supply or importation of those goods or of anything comprised in them” shall be deleted;
- (b) after paragraph 8(7) there shall be inserted the following sub-paragraphs –
  - “(7A) Sub-paragraph (7) does not apply if –
    - (a) the person is entitled to credit for the whole or any part of the GST on the supply or importation of the goods or of anything comprised in them;
    - (b) the person would be so entitled, in relation to an importation, but for the operation of an approval arrangement; or
    - (c) the person received the goods from another person falling within clause (a) or (b), by way of –

- (i) a disposition that, by virtue of Article 6(4), was not chargeable to GST, or
  - (ii) a supply that is to be disregarded by virtue of paragraph 14(b) of Schedule 1.
- (7B) In sub-paragraph (7A)(b) (and in paragraph 10(3)) “approval arrangement” means an administrative arrangement for approval of persons by or on behalf of the Comptroller, under which a person approved does not pay the GST that is to be charged on an importation of goods on the understanding that no claim will be made to entitlement to credit in respect of that GST.”;
- (c) at the end of paragraph 10 there shall be added the following sub-paragraph –
  - “(3) This paragraph does apply, despite sub-paragraph (2), in relation to an importation of goods, if the sole or main reason why no credit for input tax was allowed as mentioned in sub-paragraph (2)(a) was the operation of an approval arrangement (within the meaning of paragraph 8(7B)).”.

## **12 Goods and services tax: extension of period for claim for credit**

At the end of Regulation 14 of the Goods and Services Tax (Jersey) Regulations 2007<sup>14</sup>, before the full-stop, there shall be inserted the words “, or within such longer period as the Comptroller may consider necessary, in the exceptional circumstances of a particular case, in order to avoid an injustice”.

## **13 Citation and commencement**

This Law may be cited as the Finance (2014 Budget) (Jersey) Law 2014 and shall come into force on 1st January 2014.

**A.H. HARRIS**

*Deputy Greffier of the States*

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- 1 *chapter 24.750*
  - 2 *chapter 24.750*
  - 3 *chapter 24.750*
  - 4 *chapter 24.660*
  - 5 *chapter 24.660*
  - 6 *chapter 24.660*
  - 7 *chapter 24.660*
  - 8 *chapter 24.960*
  - 9 *chapter 24.980*
  - 10 *chapter 24.700*
  - 11 *chapter 24.700*
  - 12 *chapter 24.700*
  - 13 *chapter 24.700*
  - 14 *chapter 24.700.30*