

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

6<sup>th</sup> November, 2018

**Proposition No.**  
**P.2018/108**

**Policy & Resources**  
**Committee**

**The States of Guernsey Annual Budget for 2019**

**AMENDMENT**

Proposed by: Deputy G A St Pier  
Seconded by: Deputy A H Brouard

1. To replace “£11,000” as the Personal Allowance in Section 1 of the table in the First Schedule to Proposition 26 with “£10,890; to replace “£450” as the Age-related allowance in Section 2 of the table in the First Schedule to Proposition 26 with “£560”; and to replace “£7,450” with “£7,340” wherever it appears in Section 3 (Dependent Relative Allowance) of the table in the First Schedule to Proposition 26.

**Explanatory note**

**The Policy & Resources Committee will unanimously vote against Amendment No. 1 (Ferbrache/Kuttelwascher.) This amendment will be laid if Amendment No. 1 is successful.**

THIS AMENDMENT IS BEING SUBMITTED IN ORDER TO PRESERVE THE OVERALL FINANCIAL POSITION AS SET OUT IN THE ANNUAL BUDGET FOR 2019.

If the States have supported the proposal from Deputies Ferbrache and Kuttelwascher, consideration needs to be given to how its cost of £600,000 is funded. Therefore, in order to preserve the overall budgeted revenues and surplus for the States for 2019, this would necessitate a £110 reduction in the standard Personal Allowance recommended in the Annual Budget to fund this change. This would reduce the increase in that allowance to £390 and result in a Personal Allowance of £10,890.

The tables below show the cumulative impact on the personal allowance and/or the surplus/deficit if the amendments proposing changes to revenue income are approved:

<b>Individual effect of amendments on personal allowances</b>		<b>Effect on Personal Income</b>	
		<b>Tax Allowance</b>	
		<b>Standard</b>	<b>Aged over 64</b>
<b>Amendment:</b>		<b>£</b>	<b>£</b>
22 Merrett / Tooley	Fuel Duty	(150)	-
1 Ferbrache / Kuttelwascher	Petrol Duty	(110)	-
3 De Lisle / Paint	Domestic TRP	(170)	-
12 De Lisle / Paint	Age Related Allowances	(125)	375

<b>Cumulative (maximum) effect of amendments on personal allowances</b>		<b>Personal Income Tax Allowance</b>	
		<b>Standard</b>	<b>Aged over 64</b>
		<b>£</b>	<b>£</b>
<b>Current (2018) tax allowances pre-Budget</b>		<b>10,500</b>	<b>11,450</b>
<b>Proposal per 2019 Budget Report</b>		<b>11,000</b>	<b>11,450</b>
<b>Amendment:</b>			
22 Merrett / Tooley	Fuel Duty	(150)	-
3 De Lisle / Paint	Domestic TRP	(170)	-
12 De Lisle / Paint	Age Related Allowances	(125)	375
<b>After Amendments</b>		<b>10,555</b>	<b>11,825</b>

<b>Individual effect of amendments on general revenue</b>		<b>Loss of revenue</b>	
		<b>2019</b>	<b>Ongoing</b>
<b>Amendment:</b>		<b>£'000</b>	<b>£'000</b>
22 Merrett / Tooley	Fuel Duty	(900)	(900)
3 De Lisle / Paint	Domestic TRP	(1,025)	(1,025)
12 De Lisle / Paint	Age Related Allowances	(800)	(800)
1 Ferbrache / Kuttelwascher	Petrol Duty	(600)	(600)
15 Merrett / Yerby	Personal Income Tax Allowances	-	(3,250) #
16 Merrett / Yerby	Personal Income Tax Allowances	-	(1,850) #
<b>Cumulative (maximum) effect of amendments on general revenue</b>		<b>Loss of revenue</b>	
<b>Per 2019 Budget Report</b>		<b>2019</b>	<b>Ongoing</b>
		<b>£'000</b>	<b>£'000</b>
<b>Amendment:</b>			
22 Merrett / Tooley	Fuel Duty	(900)	(900)
3 De Lisle / Paint	Domestic TRP	(1,025)	(1,025)
12 De Lisle / Paint	Age Related Allowances	(800)	(800)
15 Merrett / Yerby	Personal Income Tax Allowances	-	(3,250) #
<b>After Amendments</b>		<b>(2,725)</b>	<b>(5,975)</b>

# There is an ongoing effect as the 2019 cost is being funded by a reduction in the transfer to the Core Investment Reserve. The amendment does **not** identify a source for funding the ongoing cost.