

**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 L S Trott

1. To replace “£450” as the Age-related allowance in Section 2 of the table in the First Schedule to Proposition 26 with “£950”; AND
2. To replace “£11,000” as the Personal Allowance in Section 1 of the table in the First Schedule to Proposition 26 with “£10,875”; and to replace “£7,450” with “£7,325” 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 both Amendment No. 12 (de Lisle/Paint) and this amendment and support the original proposition.**

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

The effect of part 1 of this amendment would be to retain the Age-related allowance at £950 in line with the amendment numbered 12 submitted by Deputies de Lisle and Paint.

If the States are minded to support the proposal from Deputies De Lisle and Paint,

consideration needs to be given to how it is funded. Therefore, in order to preserve the overall budgeted revenues and surplus for the States for 2019, a £125 reduction in the standard Personal Allowance would be required to fund this change. This would reduce the increase in the standard Personal Allowance to only £375 and result in a Personal Allowance of £10,875.

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:

Individual effect of amendments on personal allowances			Effect on Personal Income Tax Allowance	
			Standard	Aged over 64
Amendment:			£	£
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

Cumulative (maximum) effect of amendments on personal allowances			Personal Income Tax Allowance	
			Standard	Aged over 64
			£	£
<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>
Amendment:				
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>

Individual effect of amendments on general revenue			Loss of revenue	
			2019 £'000	Ongoing £'000
Amendment:				
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) #
Cumulative (maximum) effect of amendments on general revenue			Loss of revenue	
			2019 £'000	Ongoing £'000
Per 2019 Budget Report				
Amendment:				
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) #
After Amendments			<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 <b>not</b> identify a source for funding the ongoing cost.	