

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

15<sup>th</sup> December, 2020

**Proposition No. P.2020/193**

**Policy & Resources Committee**

**The States of Guernsey Annual Budget for 2021**

**AMENDMENT**

Proposed by: Deputy D de G de Lisle  
Seconded by: Deputy J A B Gollop

1. In proposition 12 –

- a) immediately after ""The Taxation of Real Property (Guernsey and Alderney) (Amendment) (No. 2) Ordinance, 2020"" insert ", subject to the amendment indicated below", and
- b) immediately after the proposition, insert the following amendment to the Ordinance -

**"Amendment**

In the Schedule to the Ordinance in the entries in:

- i. Table A2 ("GUERNSEY COMMERCIAL BUILDINGS") relating to B6.2 (in the first column) and "Office and ancillary accommodation (other than regulated finance industries, legal services, accountancy services and NRFSB)" (in the second column), for "£27.20" (in the third column) substitute "£21.15"
- ii. Table A4 ("GUERNSEY COMMERCIAL LAND") relating to L1.11 (in the first column) and "Office and ancillary accommodation (other than regulated finance industries, legal services, accountancy services and NRFSB)" (in the second column), for "97p" (in the third column) substitute "75p"

2. After proposition 12 insert the following proposition –

“12A To rescind proposition 21 of the Resolution of the States of the 8<sup>th</sup> November, 2019 on Billet d’État No XXI dated 7<sup>th</sup> October, 2019, and to agree that, over a period of four years beginning on the 1<sup>st</sup> January 2022, the tariff for the general Office and Ancillary Accommodation category shall be increased to the same tariff as the Office and Ancillary Accommodation tariffs for regulated finance industries, legal services, accountancy services and non-regulated financial services businesses.”

### **Explanatory note**

As part of the 2020 Budget, the States agreed that, over a period of five years (2020 – 2024), the tariffs for the general Office and Ancillary Accommodation category (which largely comprises premises used by professional services and related businesses) are gradually increased to the same tariff as the Office and Ancillary Accommodation tariffs for regulated finance industries, legal services, accountancy services and non-regulated financial services businesses, commencing with an additional increase of £5.70 in the 2020 tariff. The 2021 Budget Report proposes, in addition to the 1.5% general increase (30p), an increase in 2021 of £6.05 per unit (a further 29%) which would raise an additional £800,000.

The effect of this Amendment is to defer the 2021 increase by a year and the increase applied to the TRP tariff for the general Office and Ancillary Accommodation category for 2021 will be limited to 1.5% (30p). The harmonisation of the tariffs would be completed one year later than specified in the 2020 resolution, ie, in 2025. This will reduce General Revenue income by £800,000 and increase the 2021 deficit and funding required from the General Revenue Account Reserve by £800,000.