

**TREASURY AND RESOURCES DEPARTMENT**

**THE INCOME TAX (GUERNSEY) (EMPLOYEES TAX  
INSTALMENT SCHEME) (AMENDMENT) REGULATIONS, 2014**

The Chief Minister  
Policy Council  
Sir Charles Frossard House  
La Charroterie  
St Peter Port

6<sup>th</sup> January 2015

Dear Sir

**1. Executive Summary**

- 1.1. At present the Income Tax (Guernsey) (Employees Tax Instalment Scheme) (Amendment) (No. 2) Regulations, 2009, allow the Director of Income Tax to collect unpaid tax through an individual's wages, by allowing the amount unpaid to be added to the tax required to be deducted under the coding or direction notice. The taxpayer's consent is required to use this procedure for amounts in excess of £1,000.
- 1.2. The limit of £1,000 was set in 2009 and the mechanism has proved to be a useful process for collecting unpaid tax, the advantage to the taxpayer being that it is collected over the course of a year rather than requiring direct payment.
- 1.3. The Department proposes that the limit be increased from the current £1,000 to £3,000, to further facilitate the collection of States revenues.
- 1.4. The attached Income Tax (Guernsey) (Employees Tax Instalment Scheme) (Amendment) Regulations, 2014, ("the Regulations") contain the relevant provisions to enable the matters dealt with in the above paragraphs to be introduced. Section 81A(5) of the Law requires approval by Resolution of the States before the Regulations may have effect.

**2. Principles of Good Governance**

In preparing this Report, the Department has been mindful of the States Resolution to adopt the six core principles of good governance defined by the UK Independent Commission on Good Governance in Public Services (Billet d'État IV of 2011). The Department believes that the proposal in this Report complies with those principles.

**3. Resource Implications**

- 3.1. It is not anticipated that the Regulations will give rise to any significant increase in resources available to the Director of Income Tax; indeed the Regulations should reduce the necessity for action through the Courts in a number of cases involving debts of £1,001 - £3,000, thereby saving such resources.

**4. Recommendations**

- 4.1. The Department recommends the States to approve, under section 81A(5) of the Income Tax (Guernsey) Law, 1975, as amended, the Regulations set out in paragraph 1 and appended to this Report.

Yours faithfully

G A St Pier  
Minister

J Kuttelwascher  
Deputy Minister

A H Adam  
R A Perrot  
A Spruce

Mr J Hollis  
(Non-States Member)

GUERNSEY STATUTORY INSTRUMENT2015 No.

**The Income Tax (Guernsey)  
(Employees Tax Instalment Scheme)  
(Amendment) Regulations, 2014**

<i>Made</i>	<i>25<sup>th</sup> November, 2014</i>
<i>Coming into operation</i>	<i>27<sup>th</sup> March, 2015</i>
<i>Laid before the States</i>	<i>, 2015</i>

**THE TREASURY AND RESOURCES DEPARTMENT**, in exercise of the powers conferred on it by sections 81A(4) and 203A of the Income Tax (Guernsey) Law, 1975<sup>1</sup>, as amended, and all other powers enabling it in that behalf, hereby makes the following regulations:-

**Amendment of 2007 regulations.**

1. In regulations 2(2)(c) and 8(3) of the Income Tax (Guernsey) (Employees Tax Instalment Scheme) Regulations, 2007, as amended<sup>2</sup>, for "£1,000"<sup>3</sup> substitute "£3,000".

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<sup>1</sup> Ordres en Conseil Vol. XXV, p. 124; section 81A was inserted by Vol. XXVII, p. 118; and section 203A was inserted by Order in Council No. XVII of 2005. Also amended by the Machinery of Government (Transfer of Functions) (Guernsey) Ordinance, 2003 (No. XXXIII).

<sup>2</sup> G.S.I. 2007 No. 19; amended by 2009 No. 22 (repealed without coming into force); 2009 No. 49; and 2011 No. 6.

<sup>3</sup> The figure of £1,000 was substituted by G.S.I. 2009 No. 49.

**Citation.**

2. These Regulations may be cited as the Income Tax (Guernsey) (Employees Tax Instalment Scheme) (Amendment) Regulations, 2014.

**Commencement.**

3. These Regulations shall come into force on the 27<sup>th</sup> March, 2015.

Dated this 25<sup>th</sup> day of November, 2014

DEPUTY G. A. ST PIER

Minister of the Treasury and Resources Department

For and on behalf of the Department

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EXPLANATORY NOTE

*(This note is not part of the regulations)*

These Regulations increase from £1,000 to £3,000 the maximum amount of underpaid tax which, under the Income Tax (Guernsey) (Employees Tax Instalment Scheme) Regulations, 2007, can be deducted at source from the emoluments of an employee without their express consent.

**(N.B. The Policy Council supports the proposals in this States Report and confirms that the Report complies with the Principles of Good Governance as defined in Billet d'État IV of 2011.)**

The States are asked to decide:-

V.- Whether, after consideration of the Report dated 6<sup>th</sup> January, 2015, of the Treasury and Resources Department, they are of the opinion to approve, in pursuance of Section 81A(5) of the Income Tax (Guernsey) Law, 1975, as amended, The Income Tax (Guernsey) (Employees Tax Instalment Scheme) (Amendment) Regulations, 2014.