

STATES OF DELIBERATION**12th December, 2012****Billet d'État No. XXVI****AMENDMENT**

Proposed by: HM Procureur
Seconded by: HM Comptroller

Treasury and Resources Department - Budget 2013

In Proposition 9, immediately after “2012” insert “, but with clause 2 thereof amended by deleting “The” and substituting “Section 7 of and the Schedule to the”.

Explanatory Note

The draft Ordinance (at pages 34 to 40 of the Budget Report) is designed to replace tables of property tax rates. The rates were most recently replaced by section 7 of, and the Schedule to, the Taxation of Real Property (Guernsey and Alderney) Ordinance, 2011. Clause 2 of the draft Ordinance as published would have erroneously repealed the entirety of the 2011 Ordinance (which made other changes) instead of the relevant provisions only. This technical amendment corrects that error.

STATES OF DELIBERATION

Adam 'A'

12th December, 2012

Billet d'État No. XXVI

AMENDMENT

Proposed by: Deputy A H Adam

Seconded by: Deputy B L Brehaut

Treasury and Resources Department - Budget 2013

1. In Proposition 2, for “£17,000,000” substitute “£19,150,000”.

2. For Proposition 5 substitute:

“5. To approve the cash limits for ordinary revenue and capital expenditure for individual Departments and Committees totalling £362,850,000 as set out in the following table:

Table

	Revenue Cash Limit £'000s	Routine Capital £'000s	Total Cash Limit £'000s	2012 Cash Limit £'000s
Policy Council				
General	8,325		8,325	7,850
Formula Led	2,050		2,050	2,000
Treasury and Resources				
General	15,150	1,200	16,350	16,850
Formula Led	1,870		1,870	1,900
Commerce and Employment	11,075	100	11,175	11,525
Culture and Leisure	3,250	350	3,600	4,500
Education				
General	61,100	1,000	62,100	63,325
Higher and Advanced	6,500		6,500	6,500
Grants to Colleges and Libraries	6,800		6,800	6,925
Environment	8,075	50	8,125	8,525
Health and Social Services				
General	106,000	1,500	107,500	106,800
St John Ambulance & Rescue	2,170		2,170	2,100
Home	31,925	750	32,675	33,875
Housing	1,600	(450)	1,150	1,625
Transfer to Corporate Housing Programme Fund		6,000	6,000	8,000
Public Services	4,500		4,500	8,200
Social Security				
General	2,800		2,800	2,855
Formula Led	54,150		54,150	50,225
Public Accounts Committee	325		325	405
Scrutiny Committee	275		275	230
States Review Committee	95		95	-
Royal Court	2,900		2,900	3,030
Law Officers	4,775		4,775	4,780
States of Alderney	1,940		1,940	1,875
	337,650	10,500	348,150	353,900
Service Developments	1,278		1,278	1,280
Budget Reserve including provision for Pay Awards (centrally held)	8,772	2,500	11,272	6,620
Budget Reserve – Health and Social Services Department	2,150		2,150	
	349,850	13,000	362,850	361,800

3. Between Propositions 5 and 6 insert:

“5A. To delegate authority to the Treasury and Resources Department to increase the 2013 revenue expenditure budget of the Health and Social Services Department by a maximum of £2,150,000, funded by a transfer from the Revenue Budget Reserve – Health and Social Services Department, and direct the Treasury and Resources Department to use this delegated authority to fund additional costs incurred as a result of activity levels which are higher than those experienced in 2011.”

EXPLANATORY NOTE

To recognise the cost of additional activity and demand for services in 2012, over and above that expended in 2011, should this demand continue in 2013.

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12th December, 2012

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AMENDMENT

Proposed by: Deputy Y Burford

Seconded by: Deputy R Conder

Treasury and Resources Department - Budget 2013

1. In Proposition 5 to add at the end of the words “, but subject to an increase of £50,000 in the cash limit for ordinary revenue expenditure of the Health and Social Services Department, to be used specifically to fund appropriate States and/or voluntary sector educational and other programmes to discourage commencement and/or encourage cessation of smoking”.

2. In Proposition 6 to delete

“Cigarettes	£248.78 per kilogram
Cigars	£231.02 per kilogram
Hand rolling tobacco	£215.13 per kilogram
Other manufactured tobacco	£186.60 per kilogram
Tobacco leaf – unstemmed	£207.13 per kilogram
Tobacco leaf – stemmed	£209.22 per kilogram

and substitute therefor:

Cigarettes	£251.13 per kilogram
Cigars	£233.20 per kilogram
Hand rolling tobacco	£217.16 per kilogram
Other manufactured tobacco	£188.36 per kilogram
Tobacco leaf – unstemmed	£209.09 per kilogram
Tobacco leaf – stemmed	£211.20 per kilogram”.

3. To insert after “The Excise Duties (Budget) Ordinance, 2012” in Proposition 7: “, but subject to the deletion of:

“1. Tobacco and tobacco products	
a. Cigarettes	£248.78 per kilo
b. Cigars	£231.02 per kilo
c. Hand rolling tobacco	£215.13 per kilo
d. Other manufactured tobacco	£186.60 per kilo
e. Tobacco leaf – unstemmed	£207.13 per kilo

f.	Tobacco leaf – stemmed	£209.22 per kilo”
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and the substitution therefor of:

“1.	Tobacco and tobacco products	
a.	Cigarettes	£251.13 per kilo
b.	Cigars	£233.20 per kilo
c.	Hand rolling tobacco	£217.16 per kilo
d.	Other manufactured tobacco	£188.36 per kilo
e.	Tobacco leaf – unstemmed	£209.09 per kilo
f.	Tobacco leaf – stemmed	£211.20 per kilo”.

4. In Proposition II.7 to insert at the end: “, but with the addition in the third and fourth columns under “Non Pay costs” on page 62 of:

“Stop Smoking Programmes 50”,

the substitution of “43,589” for “43,539”, and the substitution of “108,220” for “108,170”, both also on that page”

EXPLANATORY NOTE

The effect of this amendment would be to increase the cost of an average packet of 20 cigarettes by 3½ pence (and other tobacco products by a proportionately similar amount) over and above that increase recommended by Treasury and Resources in paragraph 3.16 of the 2013 Budget Report by means of an additional 1% increase in excise duty, thereby raising £50,000 to be used to discourage commencement and/or encourage cessation of smoking.

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Proposed by: Deputy M J Fallaize

Seconded by: Deputy R Conder

Treasury and Resources Department
States of Guernsey Budget 2013

To delete Proposition 17 and substitute therefor:

“17. To direct that:

- a) the Treasury and Resources Department shall consider the case for making changes to mortgage interest tax relief as part of the comprehensive review of personal taxes, duties and contributions referred to in paragraphs 3.1 to 3.4 of that Report;
- b) in advance of that comprehensive review no changes shall be proposed by the Treasury and Resources Department in respect of the cap of £400,000 which at the present time applies to mortgage interest tax relief;
- c) any proposals to make changes to mortgage interest tax relief which are put before the States of Deliberation by the Treasury and Resources Department as part of, or further to, that comprehensive review shall be accompanied by an assessment of the likely financial impact of those changes upon taxpayers who are at that time eligible to claim mortgage interest tax relief.”

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Proposed by: Deputy Y Burford
Seconded by: Deputy M J Fallaize

Treasury and Resources Department - Budget 2013

To insert the following Proposition between Propositions 17 and 18:

“17A. To direct that as part of their comprehensive review of personal taxation referred to in paragraphs 3.1 to 3.4 of that Report the Treasury and Resources Department shall consider the rôle of taxation in deterring property speculation (having regard inter alia to the suspension in 2009 of the Dwellings Profits Tax (Guernsey) Law, 1975 and the effects thereof), and shall include in their 2014 Budget Report their conclusions together with any recommendations considered necessary.”

Explanatory Note

The Dwellings Profits Tax (Guernsey) Law 1975 was introduced as an anti-property-speculation measure. The Law levied a tax of 100% on the profits from the sale of a dwelling but with the principal exemptions from the tax being dwellings that had served as the owner's main residence for a year and a day or dwellings that had been owned for 5 years irrespective of type of occupancy. The Law was suspended by Ordinance in 2009.

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Proposed by: Deputy R W Sillars
Seconded by: Deputy A R Le Lievre

Treasury and Resources Department
States of Guernsey Budget 2013

To insert between Propositions 3 and 4:

“3A. To agree that the timetable for determining the next phase of the States’ capital expenditure programme shall remain as set out in the 2012 Budget Report (at paragraph 5.39 of Billet d’État XXII of 2011), namely:

- Quarter 1 2013 – bids for capital programme new projects for the period 2014 to 2017 submitted;
- Quarter 3 2013 – Capital Prioritisation States debate to determine the firm capital programme for the period 2014 to 2017.”

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AMENDMENT

Proposed by: Deputy M J Fallaize

Seconded by: Deputy C J Green

Treasury and Resources Department
States of Guernsey Budget 2013

To insert the following Proposition between Propositions 4 and 5:

“4A. To direct that as expeditiously as possible, and in any event by no later than December, 2013, the Policy Council and the Treasury and Resources Department shall jointly present to the States of Deliberation a States Report which sets out credible proposals, including a timetable for the implementation of such proposals, to reconcile the inconsistencies which exist at the present time between the States’ Fiscal Framework and the prevailing fiscal policies of the States.”