

**Jersey Income Tax**  
**2017 summary of main tax allowances and reliefs**

**Tax rates**

Standard rate of tax	20%
Marginal Rate of Tax	26%
Long Term Care Rate	1%/1.3% (marginal rate taxpayers)

		Standard rate taxpayer allowances	Marginal rate taxpayer exemption thresholds
Single persons		-	14,550
Married/civil partnership		-	23,350
Single persons over 65 for entire year		-	15,900
Married/civil partnership over 65 for entire year		-	26,100
Second earner's allowance		-	5,000
Child allowance (per child)	note 1	2,000	3,000
Higher Child allowance (per child)	note 2	6,000	9,000
Additional personal/single parent	note 3	3,000	4,500
Childcare tax relief (max)		-	6,150
Enhanced Childcare tax relief pre school age children (max)		-	16,000

**Notes**

- 1 If a child has unearned income of greater than £3,000 in their own name then the Child allowance is restricted on a £1 for £1 basis.
- 2 The higher child allowance is due where a child is over 17 years old and is receiving full time higher education. If a child has unearned income of greater than £3,000 in their own name then the higher child allowance is restricted on a £3 for £2 basis.
- 3 Additional personal/single parent allowance is due if the taxpayer is a single parent or if the taxpayers spouse/civil partner is totally incapacitated by physical or mental infirmity and, in both cases, the taxpayer is entitled to child allowance.

**Loan and Mortgage Interest Relief**

Relief is available for interest paid on loans to purchase or extend a commercially let property, for the purchase of machinery and plant and for the acquisition of a trade, partnership share or trading company. Furthermore, Marginal Rate taxpayers can obtain relief in respect of interest paid on loans for the purchase or extension of their principal private residence subject to a capital restriction of £300,000 and a maximum interest amount of £13,500.

**Retirement Annuity relief**

Contributions paid into all approved pension schemes in the year of assessment are allowable subject to the lower of :

- 1 50,000;
- 2 An individuals related earnings during the year of assessment.

**NOTE** One pound of retirement annuity relief is withdrawn for every one pound of income above £150,000 of an individuals income.

*These notes are intended as a guide only and are not a comprehensive list of all allowances and reliefs that may be available. They should not be relied upon other than as for information.*

## **Jersey Income Tax**

### **Changes introduced by the 2017 budget**

Increase in the second earner's allowance (previously known as the wife/civil partner allowance) from £4,500 to £5,000. The exemption is applied if both persons in a marriage/civil partnership are in receipt of earned income.

Enhanced child care relief for pre school children increased to £16,000.

Mortgage interest relief reduced to £13,500 as part of its phasing out.

A minimum retirement capital test will be created in addition to the current minimum retirement income test.

Lump sum payments from overseas pension schemes will be taxed in the same way as lump sum payments from Jersey schemes.

The threshold for Long Term Care contributions increased to £170,256, meaning the maximum contribution per person will be £1,750.26.

### **Significant changes introduced by budgets since 2012**

#### **2016 budget**

Tax relief for people not resident in Jersey who are in receipt of income from Jersey removed.

Statement made that mortgage interest relief is to be phased out over 10 years starting in 2017.

Statement made that 10% pension relief granted to standard rate tax payers in receipt of pensions from certain overseas jurisdictions to cease from 2017.

#### **2015 budget**

Mortgage interest relief capped at £15,000.

Double taxation relief credit extended to marginal rate taxpayers.

#### **2014 budget**

Marginal rate decreased from 27% to 26%.

Additional £3,000 added to the higher child allowance for marginal rate taxpayers.

Restriction on child allowance based on child's own income will only be based on unearned income in future.

Age to qualify for enhanced exemption thresholds increased to 65 from 63 but subject to transitional rules in 2014 only.

Charitable lump sum donations limit reduced from £100 to £50.

*These notes are intended as a guide only and are not a comprehensive list of all allowances and reliefs that may be available. They should not be relied upon other than as for information.*

**2013 budget**

Life assurance relief repealed.

**2012 budget**

Child care tax relief introduced which provides tax relief for childcare costs.

Pension relief restricted for individuals earning over £150,000.

Cap of £50,000 introduced on the level of termination payments that may be received tax-free.