Tax FAQs

Jersey

Building a better working world

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The content of this document is current as of 1 June 2024. The content is next expected to be updated by 1 June 2025.

General Jersey tax queries

1. What are the Jersey tax year dates?

The Jersey tax year, also known as the 'Year of Assessment' (YOA) runs on a calendar year basis (1 January – 31 December).

2. When do you need to file a Jersey tax return?

A Jersey income tax return will need to be filed in respect of the following circumstances:

- An individual is considered Jersey tax resident during a YOA.
- An individual is considered non-resident for Jersey income tax purposes and in receipt of Jersey source income during the YOA.

3. Are there any registration requirements?

An individual who has a Jersey tax filing requirement for the first time will have to register for Jersey income tax, regardless of whether they are considered resident or non-resident.

Once an individual has successfully registered, Revenue Jersey will create a tax record and issue a unique 10-digit 'Tax Identification Number' (TIN).

Moving to Jersey for the first time:

Where an individual has moved to Jersey for the first time, they will be required to register as living in Jersey. The registration process includes tax registration.

Returning to Jersey:

An individual returning to Jersey after an extended absence will be required to re-register for tax.

4. What are the filing deadlines?

Jersey tax returns can either be filed online or by paper.

- Paper returns: **Due by 31 May following the YOA**
- Online return: **Due by 31 July following the YOA**

Where an individual has an appointed tax agent, the return is due by 31 July following the end of the YOA, regardless of whether the return is filed online or by paper.

5. Do married couples file separate returns?

Any married couples or civil partners which moved to Jersey before YOA 2022 are assessed on a joint basis, i.e., one return filed in respect of the marriage or civil partnership.

Individuals have the option to elect for separate assessment. Either spouse or civil partner can make a request in writing to Revenue Jersey by the end of October of the YOA. It will then apply for that YOA onward, i.e., if the request is made by October 2025, separate assessment will apply from the YOA 2025 onward.

Independent taxation has been introduced from the YOA 2022, and therefore any married couples or civil partners moving to Jersey will be required to file individual tax returns.

In 2022, married couples and civil partners were offered the option to move to independent taxation from YOA 2023. It is compulsory for all married couples and civil partners to move to independent taxation by 2026.

6. What penalties are there for failing to file a return on time?

Late filing of a Jersey tax return will lead to the following penalties:

- Return not filed by the deadline: **£300**.
- Return not filed three months after the deadline: **£50** per month up to a maximum of **£450** in addition to the £300.

If an individual receives a penalty notice and believes there are exceptional circumstances which prevented them from filing their return on time, a request can be made for the penalty to be waived. The request must be made within 40 days of the date of the notice.

Revenue Jersey consider the following as reasonable grounds upon which to appeal:

- Death (e.g., a close family member on, or around, the deadline)
- Serious illness
- Other grave or exceptional circumstances

7. When do I need to pay my tax liability?

The dates an individual is required to make tax payments depends on their sources of income:

If more than 25% of their income relates to employment earnings:

Tax payments are made throughout the year, in respect of their salary, via the 'Income Tax Instalment System' (ITIS). If they have other sources of income from which no tax has been deducted, they will need to pay the balance of unpaid tax by 30 November in the year following the YOA.

If 25% or less of their income relates to employment earnings:

Where 25% or less of an individual's income relates to employment earnings, they will be required to make tax payments in instalments in the instance where the instalment due exceeds £100. The instalments are calculated as follows:

- 50% of their prior year income tax liability where all of their income is from non-salary sources, e.g., self-employment, investment, property income.
- 40% of their prior year income tax liability where they have a small salary (25% or less of their total income).

An individual will still need to pay the balance of unpaid tax by **30 November** in the year following the YOA.

These payments are due by the following dates:

- First payment on account: **30 November** in the YOA.
- Second payment on account: **31 May** in the year following the YOA.
- Balancing payment: **30 November** in the year following the YOA.

An individual can apply to have their payments on account reduced or waived one month or more before the payment on account is due if the:

- Liability is going to be substantially less than the sum of instalments.
- Income (other than earnings) is going to be substantially less.

In order to support the application, the individual is required to advise Revenue Jersey of the amount they believe the payment should be and either:

- Provide their completed tax return for the YOA in question.
- Provide a schedule of their income for the relevant YOA.

A refusal to reduce or waive the instalment can be appealed within 40 days of the notice of refusal.

8. What is ITIS?

This is the system by which employers in Jersey deduct tax from an employee's salary. It is Jersey's equivalent to the UK's PAYE system.

9. How do I find out what my ITIS rate is?

An individual's effective ITIS tax rate is calculated by Revenue Jersey based on their tax registration or most recent assessment.

As part of the registration process, they will be required to provide Revenue Jersey with their income details. Revenue Jersey will calculate their appropriate rate based on their details.

10. How do I find out the balancing payment I need to pay?

The balancing payment an individual is required to make following the YOA, is disclosed on their Notice of Assessment ('NOA') which should be issued in advance of the payment deadline. The NOA will also disclose any payments on account required, along with the dates these are due to be paid by.

An individual will still have a requirement to make their balancing payment by the payment deadline in the instance where they have not received their NOA in advance of the deadline.

11. What if I fail to pay my balancing payment by the deadline?

Any outstanding balance of tax by the 30 November payment deadline in the year following the YOA will be subject to a 10% late payment surcharge.

The late payment surcharge will not be applied where:

- More than 25% of the individual's total income for the year before the YOA consist of earnings.
- An individual's remaining balance of unpaid tax for the YOA is £500 or less.
- Revenue Jersey is satisfied that death, serious illness or other grave exceptional circumstances prevented payment by the specified time.

12. What rates of Jersey income tax are there?

Tax resident:

Individuals pay Jersey income tax at one of two rates:

- The standard rate; or
- The marginal rate

Standard rate

An individual's taxable income less allowable expenses and pension contributions is subject to tax at 20%.

Marginal rate

An individual's taxable income less allowable expenses, pension contributions, and a tax exemption threshold is subject to tax at 26%.

Non-Tax resident:

Individuals pay tax at 20% on Jersey income with some exceptions (see below).

13. What rate of tax applies to me?

An automatic calculation is performed, by Revenue Jersey, when an individual files their tax return. The calculation assesses their tax liability under both the standard rate and the marginal rate.

An individual will pay tax at the lower of the two calculations, the implication being that they will not be subject to tax at an effective rate greater than 20%.

14. What allowances, reliefs and deductions are available in Jersey?

The following tax exemptions are available, under the marginal rate, which reduces an individual's taxable income for the 2025 YOA:

Exemption Threshold:

Single: £20,700

Married or civil partnership: £33,200

Second earner's allowance:

Increases the exemption threshold available for those in a civil partnership or married.

Available relief: Lower of £8,200 or the lower earner's income.

Please note that the allowance is not available to independently taxed spouse or civil partners. Instead, each person will receive an individual allowance.

Child allowance:

Available to those with children under the age of 16 or receiving full-time education (does not include higher education). The allowance is reduced if the child's own income exceeds the available relief.

Available relief: £3,850 (per child).

Additional Children allowance:

Available to those who:

- Are not entitled to the married or civil partnership exemption threshold.
- Are entitled to the married or civil partnership exemption threshold and wholly maintain their spouse or civil partner who is totally incapacitated by physical or mental infirmity.

The dependent child must be under the age of 25 on 31 August in the YOA. If 16 years or over at the start of the YOA, they must be in full time or higher education.

Available relief: £5,750.

The following tax reliefs are available, under the marginal rate, which reduces an individual's taxable income for the 2025 YOA:

Standard childcare tax relief:

Available to those making payments to a registered childcare provider if they are aged 12 or under.

Available relief: Up to £7,850.

Higher childcare tax relief (pre-school children):

Alternative to standard childcare tax relief if an individual's child is under four years old.

Available relief: £20,400.

Maintenance payments and relief for income tax:

Available if permanently separated from spouse or civil partner. An additional £2,600 can be claimed as a deduction from income at the marginal rate if maintenance payments are made.

In order to qualify for relief, maintenance must be:

- A legally binding written agreement.
- A regular monthly or weekly payment.
- For the benefit of your former spouse or civil partner or for the benefit, maintenance or education of your child.

If in receipt of maintenance payments made after 1996, the payments are treated as non-taxable.

Loan interest relief for main Jersey residence:

Available on loan interest payments for the purchase or extension of an individual's main Jersey residence.

Available relief: Up to £1,500, but is in the process of being phased out by 2026.

The following tax reliefs are available, under both the standard rate and the marginal rate, which reduces an individual's taxable income for the 2025 YOA.

Other available loan interest relief:

In addition, an individual can claim tax relief on loan interest payments for the:

- Purchase or extension of a commercially let property.
- Purchase of machinery and plant.
- Acquisition of a trade, partnership share or trading company.

Available relief: No restriction. However, Revenue Jersey will challenge tax relief applications where the loan has an artificially inflated rate of interest on capital over £300,000.

Benefits in kind relief:

Applied against the total of benefits in kind received in the year. Available relief: £250.

Pension contributions relief:

Available for contributions made into an approved pension fund **(please refer to the pension section for further details).**

Charitable donations:

If an individual is resident in Jersey and paying income tax, they can donate money to charities registered with the Jersey Charity Commissioner using the Jersey Gift Support Scheme. The charity will receive an additional 25p for every £1 donated.

Available relief: Minimum donation of £50 required via the Jersey Gift Support donation rules. Relief available for donations made, however, individual will be liable to Jersey income tax on the additional amount received by the charity, i.e., individual will be subject to Jersey income tax for the additional £12.50 received by the charity on a minimum donation of £50.

The following deductions are available, under both the standard rate and the marginal rate, which reduces an individual's taxable income for the 2025 YOA:

Employment expenses:

An individual can claim expenses against their employment income, provided the expenditure relates wholly and exclusively for the purposes of their employment. Examples of allowable expenses include:

- Protective clothing
- Uniforms
- Small tools
- Specialist clothing and tools
- Subscriptions
- Course and examination fees
- Motor expenses

15. How does marginal relief work?

The following five examples illustrate how taxpayers can benefit from the reliefs available under the marginal rate calculation:

Single taxpayers

As noted in section 14, individual taxpayers are entitled to an exemption threshold of £20,700. Under the marginal rate calculation, this will reduce the income that is subject to tax.

Example 1:

	Standard rate calculation (20%)	Marginal rate calculation (26%)
Income	£50,000.00	£50,000.00
Less: Exemption threshold		£(20,700.00)
Taxable income	£50,000.00	£30,000.00
Tax due	**£10,000.00**	**£7,618.00**

The tax due in example 1 is lower under the marginal rate calculation at 26% and therefore this rate will apply to the individual taxpayer. Consequently, the taxpayer has obtained marginal relief of £2,382 i.e., £(10,000 – 7,618).

Example 2:

	Standard rate calculation (20%)	Marginal rate calculation (26%)
Income	£150,000.00	£150,000.00
Less: Exemption threshold		£(20,700.00)
Taxable income	£150,000.00	£130,000.00
Tax due	**£30,000.00**	**£33,618.00**

The tax due in example 2 is lower under the standard rate calculation at 20% and therefore this rate will apply to the individual taxpayer. On the basis that the standard rate calculation has produced the lower tax liability, no marginal relief has been obtained by the taxpayer.

Married taxpayers

As noted in section 14, married taxpayers are entitled to a married allowance threshold of £33,200. Those with a child are also entitled to a child allowance of £3,850 per child. Under the marginal rate calculation, these reliefs will reduce the income that is subject to tax.

Example 3:

	Standard rate calculation (20%)	Marginal rate calculation (26%)
Income	£50,000.00	£50,000.00
Less: Married allowance		£(33,200.00)
Less: Child allowance		£(3,850.00)
Taxable income	£50,000.00	£12,950.00
Tax due	**£10,000.00**	**£3,367.00**

The tax due in example 3 is lower under the marginal rate calculation at 26% and therefore this rate will apply to the married taxpayers. Consequently, the taxpayers have obtained marginal relief of £6,633 i.e., £(10,000 – 3,367).

Example 4:

	Standard rate calculation (20%)	Marginal rate calculation (26%)
Income	£180,000.00	£180,000.00
Less: Married allowance		£(33,200.00)
Less: Child allowance		£(3,850.00)
Taxable income	£180,000.00	£142,950.00
Tax due	**£36,000.00**	**£37,167.00**

The tax due in example 4 is lower under the standard rate calculation at 20% and therefore this rate will apply to the married taxpayers. On the basis that the standard rate calculation has produced the lower tax liability, no marginal relief has been obtained by the taxpayer.

Example 5:

	Standard rate calculation (20%)	Marginal rate calculation (26%)
Income	£141,075.00	£141,075.00
Less: Married allowance		£(33,200.00)
Less: Child allowance		£(3,850.00)
Less: Second earner's allowance		£(8,200.00)
Less: allowable mortgage interest relief		£(1,500.00)
Taxable income	£141,075.00	£94,325.00
Tax due	**£28,215.00**	**£24,524.50**

The tax due in example 5 is lower under the marginal rate calculation at 26% and therefore this rate will apply to the married taxpayers. Consequently, the taxpayers have obtained marginal relief of £3,690.50 i.e., £(28,215 – £24,524.50).

16. Are my personal allowances and reliefs apportioned if I am only present in Jersey for part of the year?

If an individual is not taxed on the basis of being fully resident in Jersey throughout the YOA, allowances, deductions and exemption limits to which he or she is entitled may be reduced to reflect the proportion of the year the individual is present in Jersey.

17. Is there any tax relief available for non-residents?

The following income is exempt from tax in Jersey if an individual is non-resident:

- Interest on Jersey bank accounts.
- Interest paid by a company tax resident in Jersey.
- Income from a purchased life annuity.
- Company dividends on preference shares from profits or gains charged at 0%.
- Company distributions from profits or gains charged at 0%.
- Royalties or other sums paid in respect of the user of a patent.
- Profits and earnings of the office of a director of a company.

Low worldwide income relief: If an individual has taxable income in Jersey, but their total worldwide income is below the relevant standard Jersey tax exemption threshold, the rate of Jersey tax is 0%.

Reduced rate relief: If an individual's worldwide income exceeds the standard income tax exemption threshold, the Jersey tax rate paid on their Jersey source income may be reduced to below 20%.

Residence and international aspects

18. Who is required to pay Jersey income tax?

The requirement to pay Jersey income tax is dependent on the residency of individuals and the sources of income they receive.

Individuals fall into one of three residency categories. The applicable category depends on:

- The length of time spent on the island.
- The frequency of visits to the island.
- The availability of accommodation in Jersey.

Resident Not Ordinarily Resident ('RNOR')

An individual who is RNOR is subject to Jersey income tax on all Jersey source income and any foreign income that is remitted to Jersey.

To be considered resident, an individual must satisfy one or more of the following criteria:

- Be present in Jersey for at least 183 days per YOA.
- Have available accommodation in Jersey and stay in it for at least one night in a YOA.

To be considered non ordinarily resident an individual must not have an intention to remain in Jersey for more than four years.

Available accommodation: Jersey property owned or rented by an individual or their spouse, available for an individual's use. Accommodation provided by an employer is considered available accommodation after the second tax year in which it is made available. Employer provided accommodation is accommodation which is in the employer's name and paid for by the employer.

Examples of remittances of income include:

- All non-Jersey income paid into Jersey bank accounts.
- Income brought into Jersey as cash.
- Bills arising in the island but paid from sources of income arising outside of the island, including by credit or debit cards.
- Converting income abroad into investments and then sending those investments to Jersey to convert them to cash.

Resident Ordinarily Resident ('ROR')

An individual who is ROR is subject to Jersey income tax on their worldwide income. Relief may be available for foreign tax suffered in another jurisdiction.

To be considered ROR, an individual must satisfy one or more of the following criteria:

- Normally spend all their time in Jersey; or.
- Have the intent to reside in Jersey for five years or more.
- Spend more than 90 days on average per year in Jersey over a period of four years.

Non-resident

An individual who is a non-resident is only subject to tax on Jersey source income with certain exceptions **(see section 16)**.

To be considered non-resident, an individual does not satisfy any of the residency criteria set out above.

19. What if I am Jersey resident but have employment income from another Jurisdiction?

From 2024, Jersey residents who are taxed on their employment income from working in another jurisdiction can receive relief against their Jersey income tax.

The tax relief is available in respect of tax suffered in jurisdictions with which Jersey does not have a double tax agreement. The maximum value of the relief is the lower of the foreign tax paid or the tax charged at the standard rate in Jersey.

20. What is my residency position if I am in Jersey on a short-term employment contract?

An individual's tax residency is determined based on the total length of their employment contract. Provided their employment contract is less than 4 years, they will be considered as RNOR in Jersey.

If the length of their contract changes i.e., their role in Jersey becomes permanent or their employment in Jersey is extended for a duration of more than 4 years, they will become ROR from the date of change in contract.

21. What is my Jersey tax position if I am a short-term business visitor?

From 2024, a new income tax exemption has been introduced that applies to short-term business visitors travelling to Jersey. The exemption applies to employees, directors, and officers. There are also simplified tax rules for employers of short-term business visitors.

An individual qualifies as a short-term business visitor providing, they meet the following criteria:

- Is not resident in Jersey for income tax purposes*.
- Spends 60 days or less in Jersey in the YOA.

*To determine tax residency in Jersey, **(see section 18)**.

Types of income covered by the short-term business visitor exemption include:

- Salary and bonuses.
- Perquisites and benefits in kind.
- Fees from an office (including director's fees).

The short-term business visitor exemption does not apply to the following income:

- Employment-related pension income.
- Self-employment income.
- A share of partnership profits.
- Any other Jersey source income not covered as exempt above.

The 60-day test

To determine whether the 60-day test is met, the following is considered:

- A day is defined as any day spent in Jersey, whether whole or part of a day and it is not a 'midnight' test.
- The day-count does not solely relate to workdays. The 60-days includes every day of presence in Jersey, including travel to and from the island, weekends, and holidays on the Island.
- The 60-days is calculated cumulatively, meaning an individual can come and go throughout the year as long as they do not exceed 60 days spent in Jersey in a YOA.

What if my employer expects me to be present in Jersey for more than 60 days during a YOA?

In the event where an employer expects an employee to be present in Jersey for more than 60 days during a YOA, it is the employer's responsibility to operate payroll and apply ITIS, long-term care contributions and social security (as appropriate) to the qualifying income of the employee from the day they expect the employee to be present in Jersey for more than 60 days.

This will generally be either:

- The first day the employee comes to Jersey if the employer has always had an expectation that the employee will be present in Jersey for more than 60 days.
- The day circumstances change (the individual's or the business's) such that the employer develops an expectation that the employee will exceed the 60-day threshold.

In addition to the Jersey payroll, the following will be required:

- If not already registered as an employer in Jersey, the employer should consider employer registration and whether a business license is required.
- The employee will be required to register for income tax with Revenue Jersey (see section 3 for further details regarding tax registration).
- The employee will have a Jersey income tax return filing requirement.

What if I spend 60 days or less in Jersey during a YOA despite my employer's expectation that I will exceed the 60 day threshold?

If an individual spends 60 days or less in Jersey during a YOA despite the expectation of their employer that they would exceed this, the employee will be eligible to claim the short-term business visitor exemption in respect of emoluments attributable to work carried out in Jersey.

In order to reclaim any tax deducted at source by their employer via payroll, the employee should prepare documentation to support their status change and provide the supporting information to Revenue Jersey.

What if I exceed the 60-day threshold in exceptional circumstances?

Examples of exceptional personal circumstances might include:

Illness:

- An individual is taken ill just before their planned departure from Jersey (with proof of planned departure such as booked flight ticket) which requires them to spend a period of time at the hospital.
- A doctor advises the individual not to travel for a period of time that goes beyond their planned departure date.

Travel disruption:

- Adverse weather conditions preventing flights or ferries from leaving the Island. The individual will need to provide evidence that they had booked to leave the Island before the expiry of the 60-day period and that they left Jersey at the earliest opportunity after flights or ferries resumed services to an (air)port in their home jurisdiction.

If an individual wants to claim that the 60-day period has been exceeded due to exceptional personal circumstances, they should send full details to JerseyTaxRulings@gov.je who will provide a ruling on the matter.

Double Tax Agreements ('DTA')

Even if an employee exceeds or is expected to exceed the 60-day threshold in a tax year, they may be exempted from Jersey income tax under a DTA between Jersey and their home territory. The provisions of DTAs vary from territory to territory so advice should be sought if an employee might be eligible to make a DTA claim.

22. How will my income be taxed if I am a new resident?

If an individual is considered ROR, they will be liable to Jersey income tax on their Jersey source income for the full year (unless exempted under a DTA), and their non-Jersey source income from the date of arrival.

If an individual is considered RNOR, they will be treated as RNOR for the whole YOA. The implication being that they will be liable to Jersey income tax on their remittances whether made before, during or after their physical presence in Jersey during the YOA.

23. How will my income be taxed if I am leaving Jersey permanently?

If an individual is considered ROR, they will be liable to Jersey income tax on Jersey source income for the whole year (unless exempted under a DTA), and any non-Jersey source income up to their departure date in the year they leave.

If an individual is considered RNOR, they will be liable to Jersey income tax on Jersey source income for the whole year (unless exempted under a DTA), and any remittances up to their date of departure in the year they leave.

Individuals leaving Jersey are required to notify Revenue Jersey via the submission of a leaving island form.

24. How is my residence position determined if I return to Jersey?

If the individual was absent from Jersey for a full year or longer, their residence will be determined in accordance with the principles outlined above.

25. Is it possible to be tax resident in more than one jurisdiction?

It is possible for an individual to be tax resident in more than one jurisdiction at the same time and therefore be regarded as dual resident during a period.

During a period of dual residence, it is necessary to consider any DTA between Jersey and the other jurisdiction. The DTA will determine whether residence can be awarded to one of the jurisdictions and also how the various sources of income should be taxed in accordance with the individual's circumstances. It should be noted that some income may not be covered by the DTA and income arising in other countries may also need to be considered.

26. Is it possible to be taxed on the same income in different jurisdictions?

If an individual is subject to tax on the same income in two different jurisdictions, it should be considered whether there is a DTA in place between Jersey and the other jurisdiction. If there is a DTA in place, the individual may be able to exempt certain income from being taxed in one of the jurisdictions under the specific DTA Articles.

In other instances, they may be entitled to some relief for foreign taxes that have been paid, which are commonly known as foreign tax credits. Jersey has a limited network of full and partial DTAs.

Where there is no DTA between the relevant countries, some form of relief may still be available.

High Value Residency ('HVR')

27. What is the HVR scheme?

This is a scheme implemented by the Jersey government under housing regulation 2(1)(e) to attract wealthy individuals who can be of social and economic benefit to the island.

28. How do I apply to become a high value resident?

All applications will be considered on a case-by-case basis by the Chief Minister. However, to apply to become a high value resident the minimum requirements are as follows:

- An individual will need show that their residency in Jersey will benefit the island.
- They will need to evidence that their sustainable annual worldwide earnings comfortably exceed £1,250,000 per year.
- They will need to pay a minimum of £250,000 of tax on their income per year.
- Other factors which will be taken into account include:
    - Any voluntary work or contributions they have made to the local community.
    - Positive or negative media coverage of them and their business practices.
    - Any past achievements including educational and sporting achievements.
    - Any undesirable factors in their personal history, such as a criminal record.

29. How could I benefit from the HVR Scheme?

If an individual's application is approved:

- The Population Office will generally require them to buy or lease a high value house (valued in excess of £3.5 million) or apartment (valued in excess of £1.75 million).
- They will be granted entitled residential status. This means that they will be able to buy, sell or lease any property. This status is usually only available to someone who has lived in Jersey for 10 years.
- They will need to pay a minimum tax contribution of £250,000 (20% of £1,250,000). However, any income in excess of £1,250,000 will be subject to tax at a rate of 1%. Any income from Jersey real estate or distributions from a company holding Jersey real estate, will be subject to tax at 20% rather than 1%.

Property income

30. How will Jersey and overseas rental income be taxed?

If an individual is considered RNOR or non-resident for Jersey income tax purposes, they will be required to pay tax on any rental profits received from Jersey property at a rate of 20%.

For those who are considered ROR for Jersey income tax purposes, this extends to include any rental profits received from foreign properties.

31. How are profits from rental income calculated for tax?

Income:

The income an individual is taxed on relates to the amount they receive during the year.

Income also includes any lump sum payments received in connection with granting a tenancy.

Expenditure:

An individual is allowed to deduct any expenses which are incurred wholly and exclusively for the purposes of renting out the property.

Examples of allowable expenditure include but are not limited to:

- Repairs and maintenance (like for like replacements only, not improvements).
- Property insurance.
- Management and service charges.
- Interest on loan taken out to extend or buy the rental property.
- Capital allowances (at a rate of 25%, if a permanent choice is made for such allowances, on machinery or plant used for maintenance, repair or management of the property).

Examples of expenditure which are not deductible include but are not limited to:

- Jersey rates.
- Pre-letting expenses.
- Improvements to the property, i.e., capital in nature.
- Capital loan payments.
- Dilapidation expenditure.
- Compensation paid to outgoing tenants.

32. Are there any reliefs available?

Fully furnished properties:

A 10% wear and tear deduction is available against gross rental income, if the property is fully furnished. This means that the property can be occupied by the tenant without them having to provide their own furniture, television, fridge and freezer and other essential items.

The 10% deduction is given instead of claiming a deduction for replacing these assets, however, they are still entitled to claim the cost of repairing them.

Relief for rent not paid

Where a tenant has defaulted on a payment despite an individual having taken reasonable steps to enforce it, they can treat the amount as if they were not entitled to it, i.e., non-taxable.

33. What if I am just renting a room rather than the whole property?

Income derived from renting out a room in an individual's own home is taxable. Revenue Jersey require that they declare the total income received on their tax return and will offer a flat rate deduction against the income as follows:

- Where the tenant is just provided with a room to sleep: 25% deduction.
- Where the tenant also has meals provided: 50% deduction.

However, from 2023, taxpayers can receive up to £10,000 per year tax free if the letting of the room qualifies as a rent-a-room arrangement. To qualify, the following criteria needs to be met:

- The total gross income must not exceed £10,000.
- The room must not be rented to a family member.
- The room must be in your main residence, and cannot be a self-contained unit.
- The lodger must be over 18.

In the instance where the above-named criteria have not been met, the flat rate deduction is available.

34. What if my property is jointly owned?

Where the property is jointly owned, an individual will only need to include their proportional share of the income and expenditure on their tax return.

If an individual is married or in a civil partnership and complete a joint return any property that they own together can be included on the same tax return.

35. Can I carry forward property losses?

Where the allowable expenditure exceeds the total income, any arising property losses can be carried forward and offset against future year property profits.

Rental property losses arising on Jersey and foreign properties must be kept in separate pools.

36. Are premiums taxable?

Payments of lease premiums where the duration of the lease does not exceed 50 years and any other receipts arising to the Jersey landowner, including any receipts from a license to occupy the land, are taxable.

The taxable amount of a premium is reduced by 1/50 for each complete period of 12 months (other than the first) that the lease is for.

Jersey pensions

37. How much can I contribute to my Jersey pension?

There is no limit to the amount that an individual can pay into their Jersey pension fund.

38. What tax relief is available for my pension contributions?

The maximum available tax relief is calculated as the lower of:

- Total pension contributions.
- £50,000 less any excess.
- Relevant earnings less any excess.

Excess: Any income earned in excess of £150,000. Therefore, if their annual earnings exceed £200,000, they will not be entitled to any pension relief.

Relevant earnings: Relevant earnings include their total income less any allowable deductions against their total income, as assessed under the standard rate. However, this ignores the total of:

- Pension contributions.
- Interest payments for their main residence.
- Any ordinary annual contributions.

39. How and when can I take my Jersey pension?

Pension schemes may pay out from the age of 50 and must commence by the age of 75.

Lump sum withdrawal: Up to 30% of the net fund value can be withdrawn tax-free.

Approved drawdown contract: By entering into an approved drawdown contract, they can withdraw the whole of their pension fund at retirement (see above), subject to a 20% tax charge.

There are strict rules that have to be followed, including that they have to be in receipt of a minimum retirement income or minimum retirement capital. A regulated drawdown manager must be appointed to administer the drawdown.

Transfers: The whole of the fund value of a Jersey scheme can be transferred to another approved Jersey pension scheme.

A fund value can be transferred from outside of Jersey to a Jersey equivalent scheme, but Revenue Jersey requires notification prior to the transfer.

It may also be possible to transfer their Jersey fund to an equivalent scheme out of Jersey, but this will require approval from Revenue Jersey.

Annuity: They can withdraw their pension through the receipt a series of regular payments. These receipts will be treated as taxable income.

40. Am I allowed commutation of my pension fund?

A scheme may allow for a full commutation of their pension for a lump sum in cases of serious ill health or for triviality.

Serious ill health commutation: In the case of serious ill-health, when a registered medical practitioner has certified life expectancy of less than 12 months, their scheme may allow for the whole of the fund to be commuted with no restriction.

If they have not commenced benefits, there is no tax charge. If they have commenced benefits, there is a 10% tax charge.

Trivial pension commutation: Their scheme may allow them to commute the whole of the fund value if:

- They have reached the age of 60.
- The lump sum does not exceed a total aggregate value of £50,000. This includes all previous elections to trivial commutation from occupational and private pension schemes as well as the value of the fund they are commuting at the time.

They may receive up to 30% of the fund value tax free. Tax at 10% will be deducted by the scheme manager from the remaining sum. The payment received under the trivial commutation rules should not be declared on their annual Jersey tax return.

Small pot pension: Their scheme may allow, at any age, to commute the whole of the fund if:

- The value of the fund to be commuted does not exceed £15,000.
- If your employer contributed to the fund, you are no longer employed by the employer.

Any sums received will be subject to Jersey tax deducted at source at a rate of 20%. Any sum received under the small pot rules must be declared in their annual Jersey tax return.

41. How is my pension income taxed in Jersey?

If an individual's pension income and all their other sources of income exceeds their exemption threshold, they will be liable to Jersey income tax on their total taxable income.

Taxable pension amounts include:

- Income from state pensions
- Income from annuities or annuity equivalents
- Income from approved drawdown schemes
- Amounts from very small pension scheme fund commutations
- Lump sums paid from overseas schemes where the lump sum exceeds 30% of the net value of the fund

Tax resident and in receipt of foreign pension income:

This will form part of their total taxable income in Jersey but may also be subject to tax abroad.

- If there is a DTA covering pensions between Jersey and the applicable country, they may be able to request that the pension is paid without foreign tax being deducted.

  A form will need to be obtained from the tax authority in the applicable country and certified by Revenue Jersey to confirm that the pension income is subject to Jersey income tax.

- If no such agreement is in place, any foreign tax paid will be deducted when calculating the Jersey tax liability.

Evidence of foreign tax suffered will need to be provided before tax relief is provided.

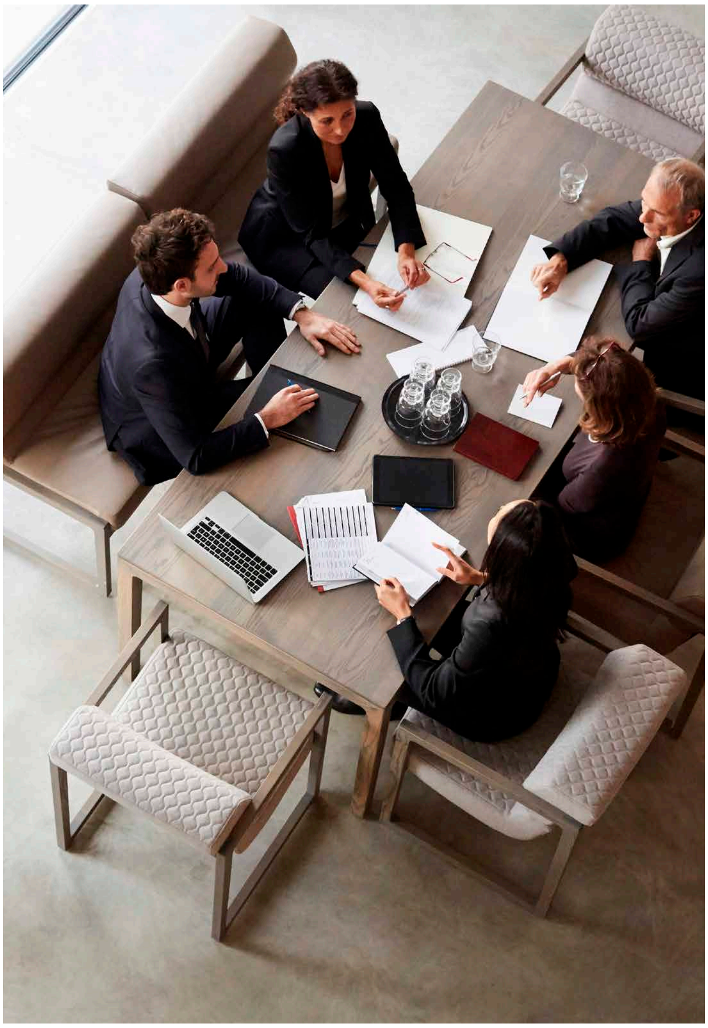
Non-resident and in receipt of Jersey pension income:

If an individual resides abroad, any Jersey pension or annuity that they receive, is taxable in Jersey.

- If there is a DTA covering pensions between Jersey and the applicable country, they will need to complete form PR1, and have it certified by the tax authority of that country confirming that their pension income is subject to income tax.

  This will ensure that they are exempt from Jersey income tax on their Jersey pension income.

- If no such agreement is in place, their pension income will be taxed at source at the standard rate of 20%.



Other taxes

42. What other taxes may arise in Jersey?

Capital gains tax

Capital gains are not subject to tax in Jersey. Therefore, any profits made on the disposal of shares or property in Jersey will not be taxable in Jersey.

Withholding tax

Jersey does not have a withholding tax regime.

Wealth and estate tax

There is no inheritance tax in Jersey. In order for probate to be granted at death, stamp duty may be payable.

The amount depends on the domicile of the deceased, the situs of the property and whether the property is immovable or movable. The applicable rates are 0.5%–0.75% up to a maximum amount of £100,000.

Land Transaction Tax ('LTT')

This tax applies to the sale or shares in a company that give the owner the right to occupy a dwelling. The rates range from 0% to 11%. The LTT applied is equal to the stamp duty levied on the sale of freehold property.

Stamp duty

Stamp duty is payable on the purchase or transfer of Jersey real estate at varying rates.

In addition, mortgages secured by a charge over Jersey real estate are subject to stamp duty as rates up to 0.5% of the amount borrowed.

No stamp duty is payable on the transfer of shares.

Envelopment Property Transaction Tax ('EPTT')

Jersey introduced a new EPTT which came into force in April 2022.

This is the tax equivalent to stamp duty on the transfer of property which is held within a company and the rate of EPTT charged aligns with the rate of stamp duty which would apply if the property was not 'enveloped'.

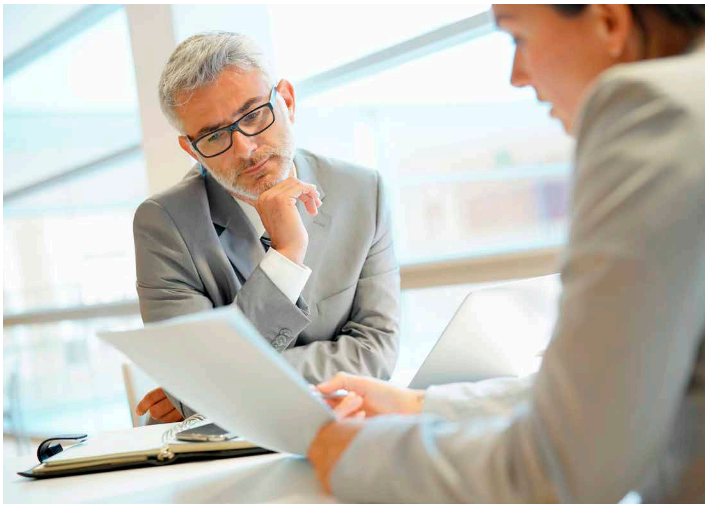
EPTT is levied on the transfer of a significant interest in immovable residential or commercial properties in Jersey and the scope includes where the property is owned outright or where it is held under a contract lease.

Shareholder distribution rules

43. What are shareholder distribution rules?

Shareholder taxation rules exist; however, these only apply where a company has a Jersey tax resident individual as an ultimate beneficial shareholder and that individual owns more than 2% of the ordinary share capital of the Jersey tax resident company.

Where an individual takes value from a company, it will be considered a distribution. The tax treatment of that distribution will depend on the amount of the individual's share of untaxed profits remaining in the company which have not been distributed. There is a requirement for the company to prepare tax computations and maintain records of untaxed undistributed profits per shareholder.



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