

**Jersey Income Tax**  
**2013 summary of main tax allowances and reliefs**

Standard rate of tax	20%
Marginal Rate of Tax	27%

		Standard rate taxpayer allowances	Marginal rate taxpayer exemption thresholds
Single persons		-	13,780
Married/civil partnership		-	22,090
Single persons over 63 for entire year		-	15,370
Married/civil partnership over 63 for entire year		-	25,280
Wife/civil partner earned income relief		-	4,500
Child allowance (per child)	note 1	3,000	3,000
Higher Child allowance (per child)	note 2	6,000	6,000
Additional personal/single parent	note 3	4,500	4,500
Childcare tax relief (max)		-	6,150
Enhanced Childcare tax relief pre school age children (max)		-	12,000

**Notes**

- 1 If a child has 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 income of greater than £3,000 in their own name then the higher child allowance is restricted on a £3 for £2 basis. Note a child's earnings, after completion of a course in full time higher education in that year, are disregarded.
- 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.

**Retirement Annuity relief**

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

- 1 50000;
- 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**NOTE** One pound of retirement annuity relief is withdrawn for every one pound of income above £150,000 of an individuals income.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. For detailed advice please contact Andrew Nicolle at Alex Picot.*

## **Jersey Income Tax**

### **Changes introduced by the 2013 budget**

#### **Exemption thresholds**

Increase income tax exemption thresholds by 3% and retain tax allowances at same level.

#### **2013 tax allowances and reliefs**

Life assurance relief repealed.

### **Changes introduced by budgets since 2012**

#### **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.

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