

**Jersey Income Tax**  
**2014 summary of main tax allowances and reliefs**

|                      |     |
|----------------------|-----|
| Standard rate of tax | 20% |
| Marginal Rate of Tax | 26% |

|   |        | Standard rate taxpayer allowances | Marginal rate taxpayer exemption thresholds |
|---|--------|-----------------------------------|---|
| Single persons  |        | -                                 | 14,000                                      |
| Married/civil partnership                                   |        | -                                 | 22,400                                      |
| Single persons over 65 for entire year                      |        | -                                 | 15,600                                      |
| Married/civil partnership over 65 for entire year           |        | -                                 | 25,700                                      |
| 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                             | 9,000                                       |
| 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 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.

**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.

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## **Jersey Income Tax**

### **Changes introduced by the 2014 budget**

#### **Exemption thresholds**

Increase income tax exemption thresholds by 1.5% and retain tax allowances at same level.

#### **2014 tax allowances and reliefs**

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.

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

##### **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.

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