

Jersey Income Tax

2019 summary of main tax allowances and reliefs

Tax rates

Standard rate of tax	20%
Marginal Rate of Tax	26%
Long Term Care Rate	1%

	Standard rate taxpayer allowances	Marginal rate taxpayer exemption thresholds
Single persons	-	15,400
Married/civil partnership	-	24,800
Single persons over 65 for entire year	-	15,900
Married/civil partnership over 65 for entire year	-	26,100
Second earners allowance	-	6,000
Child allowance (per child)	notes 1,2	3,000
Additional personal/single parent	note 3	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 Child allowance is available if the child is aged 16 or under or if over 16 they are receiving full time education (**excluding** higher education) at any school.
- 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 child is under 25 and is in full time education.

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 £10,500.

Retirement Annuity relief

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

- 1 Total pension contributions;
- 2 £50,000;
- 3 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NOTE One pound of retirement annuity relief is withdrawn for every one pound of income above £150,000 of an individuals income.

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Changes introduced by the 2019 budget

Exemption thresholds

Small increase in certain income tax exemption thresholds and tax allowances other than higher child allowance and additional personal allowance which has been removed completely. Standard rate taxpayers now receive no allowances.

2019 tax allowances and reliefs

Higher child allowance no longer available for any taxpayers. Standard rate tax payers no longer receive any allowances.

Maximum mortgage interest relief for marginal rate taxpayers reduced to £10,500.

Significant changes introduced by budgets since 2012

2018 budget

Child allowance and additional personal allowance no longer available for standard rate taxpayers.

Maximum mortgage interest relief for marginal rate taxpayers reduced to £12,000.

2017 budget

Maximum mortgage interest relief for marginal rate taxpayers reduced to £13,500.

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

2016 budget

Enhanced child care relief for pre school children increased to £14,000.

Benefits in kind exemption reduced from £1,000 to £250.

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.

£1,000 per child and £1,5000 respectively for standard rate taxpayers. Also confirmed that these allowances are to be phased out over time.

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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.

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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