

Tax Reform Policy

Industry Engagement
Presentation



States of
Guernsey

SEPT
2025

Introduction

 **Deputy Gavin St Pier**
Policy & Resources Committee



The Panel



Deputy Gavin St Pier
Policy & Resources Committee



Rob Moore
Senior Relationship Manager



Bethan Haines
States Treasurer



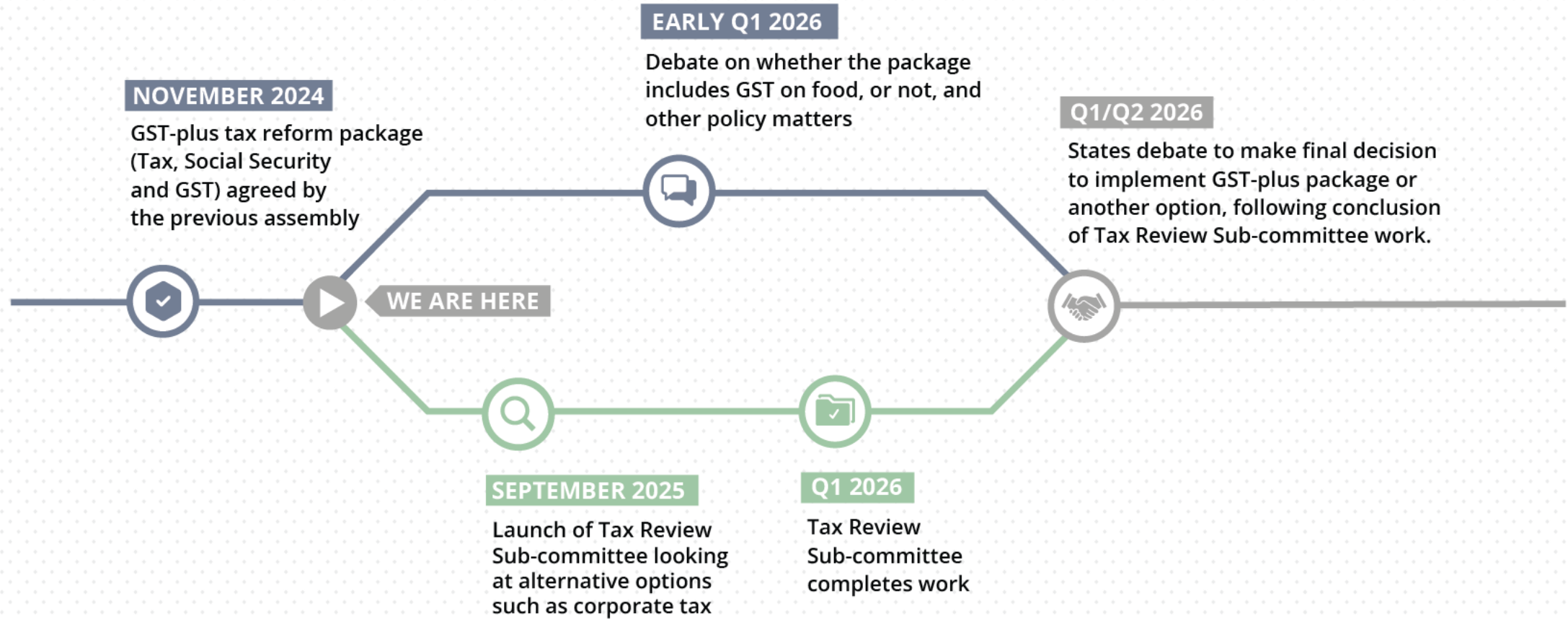
Nicky Forshaw
Director of Tax Policy, Revenue Service





Liz Laine
Senior Economist



Rob Fox
Subject Matter Expert



 P&R Sub-committee reviewing alternative tax options

 Preparation to implement GST-plus tax reform package (Tax, Social Security and GST)

What is the political process?

Who is on the various
Committees/groups and
those in charge?

Tax Review Sub-Committee

- Deputy Charles Parkinson (Chair)
- Deputy Gavin St. Pier
- Tony Mancini (External Advisor)
- Bill Dodwell (External Independent Expert)
- Mike Williams (External Independent Expert)
- Professor Peter Harris (External Independent Expert)

GST-plus Steering Group

- Deputy Gavin St. Pier (Chair)
- ESS, ED, Home Affairs Reps
- Tony Mancini (External Advisor)
- Rob Fox (External SME)

The Policy & Resources Committee, with Employment & Social Security, has been asked to prepare legislation for a new tax package. Key elements include:



A new 15% lower income tax band



Restructured social security contributions



A 5% Goods and Services Tax (GST), plus support measures



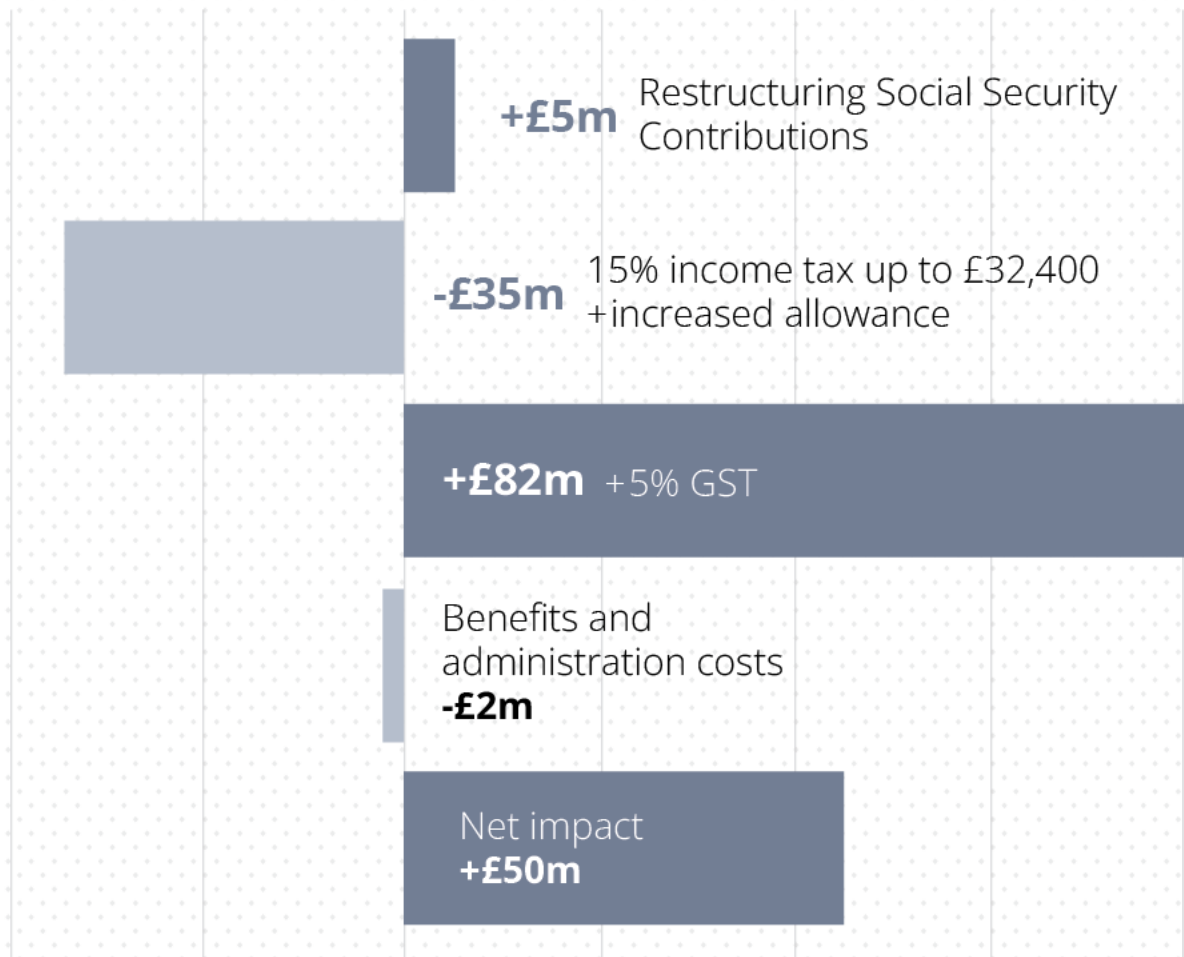
Accounting for inflationary impacts



If GST Plus is introduced, what do we need to do?

They'll also adjust thresholds for inflation and explore whether food should be taxed or zero-rated under GST.

Net change in revenues vs 2024



If we introduce GST Plus, what do we need to do?

Policy



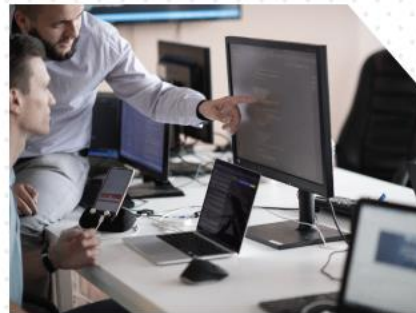
Legislation



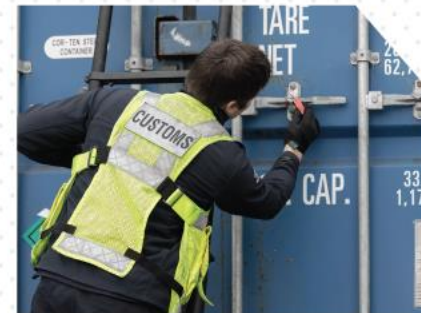
Staffing



IT Systems



Customs



Education/Training



How we're engaging with industry



Engagement Bodies and Meetings

- Change panel
- Contact us
- Online information
- Specific engagements on:
 - Technical engagements
 - Food
- Public meetings 'roadshow'
- Learning from other jurisdictions

Discussion

Next steps

Initial Engagement



September
2025

- Initial Meeting
- Input to Food Policy
- Establish Industry Contact List

Establish Change Panel



October
2025

- Establish Panel
- Technical Engagements

Develop Collaborative Plans



Q4 2025 - Q2 2026

- Food Decision
- Policy Decision

Stay Connected

You can reach us by:

- Fast-track contact form (QR Code)
- gstplus@gov.gg



gov.gg/taxreform

Thank you



Proposed zero-rating and exemptions

Zero-Rated

- Export Services
 - Exported goods
 - Sale of a going concern
 - Transport of passengers and goods to or from Guernsey or Alderney from outside the Bailiwick
 - Transport of goods and passengers between Guernsey and Alderney/Sark/Herm
-
- Postal Services
 - Creation, sale, or lease of a residential dwelling

Exempt

- All services provided by the States of Guernsey
 - Domestic financial services
 - Primary medical care
 - Ambulance services
 - Dentists
-
- Opticians
 - Registered long-term care provision
 - Childcare
 - Supplies by charities (applying a source of income-based approach like that applied in New Zealand)



Illustration of the application of standard-rated, zero-rated and exempt tax

		If standard rate (5%)			If exempt			If zero rated		
		GST paid on inputs	GST collected from customers	GST remitted/ (reclaim)	GST paid on inputs	GST collected from customers	GST remitted/ (reclaim)	GST paid on inputs	GST collected from customers	GST remitted/ (reclaim)
Raw material provider	Raw materials sold for £1000 (before taxes)		50	50		50	50		50	50
Raw material processor	GST incurred on raw materials	(50)			(50)			(50)		
	Processed material sold for £2000 (before tax)		100	50		100	50		100	50
Manufacturer	GST incurred on processed materials	(100)			(100)			(100)		
	Manufactured goods sold for £3000 (before tax)		150	50		150	50		150	50
Retailer	GST incurred on manufactured goods	(150)			(150)			(150)		
	Goods sold for £4000 (before tax)		200	50		0	0		0	(150)
Total tax accrued through supply chain				200			150			0