



ALDERNEY CHAMBER OF COMMERCE

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For the attention of the Chief Executive and Members of the States

7th November 2025

Dear Sirs and Madam

Consideration for an Increase of Income Tax

Alderney businesses remain together in that any form of GST will prove detrimental within such a small community where wages are significantly lower than in Guernsey while the present Cost of Living is higher than in Guernsey.

GST has also been overwhelmingly rejected by the Guernsey Hospitality Association.

An introduction of any new tax will come with a considerable administrative burden both for those paying the tax and for the States which will of course cost money to both parties. Chamber comes down on the side of raising an existing tax over the introduction of a new tax. Although the Guernsey States has previously disapproved of a rise in income tax, we would ask that this be reconsidered.

The simplicity of creating such a change would not require new software nor a new Civil Service department.

The Isle of Man went down this route increasing its rate of income tax from 20% to 22% effective from 6th April 2024. It has since been reduced to 21% for their 2025/26 tax year as part of a planned transition back toward normal levels.

The reason for the Isle of Man increasing its income tax to 22% was to help fill an immediate funding gap (especially in health care) while longer term funding mechanisms were considered.

Its government has recently said that the change now to 21% is to help working families and putting more money back into people's pockets.

The Isle of Man made this decisive and positive change. Can we learn from it?

Guernsey's competitive global advantage is largely based on being a stable, low tax jurisdiction and an open economy. Over the years, this has made Guernsey reliant on a relatively small number of mobile or transient businesses and individuals who could leave at the drop of a hat being courted by competing jurisdictions.

Hence our view that a small increase in income tax could prove a more sustainable and positive form of raising funds (as the Isle of Man has seen) as opposed to the creation of a brand new tax as commented on above.

If such an adjustment were to be introduced, the threshold could be increased so as not to adversely affect those on lower wage levels.

In conclusion, the Isle of Man had the steel to raise its income tax and it proved successful. We would ask that Alderney and Guernsey seriously consider this.

A proviso would have to be that Guernsey Income Tax Authority rapidly updates itself to 2025 to gain the income tax that it has been owed in recent years.

We would be pleased to discuss this further should you wish.

Kind regards,

A handwritten signature in black ink, appearing to read 'Andrew Eggleston', with a long, sweeping horizontal stroke underneath.

Andrew Eggleston

President,
Alderney Chamber of Commerce
For and on behalf of The Council