

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

15<sup>th</sup> July, 2026

**Proposition No. P. 2026/49**

**Policy & Resources Committee**

**Tax Reform 2026**

**AMENDMENT**

Proposed by: Deputy T Rylatt

Seconded by: Deputy G A St Pier

In Proposition 4, to insert after the words “to give effect to the above decisions” the following:

“, and to direct that such legislation include provision requiring that any resolution to approve legislation that seeks to vary or repeal the legislative protections referred to in paragraph 10.4, and outlined in Resolution I 2 of Billet d’Etat No III of 2026 made on the 3<sup>rd</sup> February 2026, shall be deemed to have carried only if not less than two-thirds of the Members present vote in favour”.

**Rule 4(1) Information**

- a) The proposition contributes to the States’ objectives and policy plans by providing greater durability for legal provisions designed to support those most in need during a period of sustained cost-of-living pressure.
- b) Informal consultation has taken place with the Policy & Resources Committee.
- c) The proposition has been submitted to His Majesty’s Procureur for advice on any legal or constitutional implications.
- d) There are no financial implications to the States of carrying the proposal into effect.
- e) Drafting advice has been sought from the States Greffier and advice was sought from officers of the Policy & Resources Committee.

## **Explanatory Note**

The effect of this amendment is to provide greater protection for the mitigations associated with the introduction of GST, by requiring a two-thirds majority to approve legislation that would seek to vary or repeal them.

The Tax Reform 2026 package is being proposed on the basis that it is generally progressive. It seeks to protect lower and middle-income households through compensatory measures, including changes to the personal income tax allowance, a higher-rate income tax threshold, the Essential Costs Relief Payment, the States Pension, Income Support and other impacted benefits.

Those mitigations are central to its fairness and are the basis on which members are being asked to support the introduction of GST.

The purpose of this amendment is to make that commitment more durable. It would require that the legal protections for those mitigations cannot be repealed or varied unless such a proposal was supported by a majority of not less than two-thirds of the members present.

This would not prevent a future States from increasing GST by a simple majority. It is acknowledged that flexibility is important, as we must be capable of responding to changing fiscal circumstances.

However, if a future States wishes to increase GST, it should do so while maintaining the protections incorporated in the package of reform. If it wishes to depart from that protection and to weaken the progressive safeguards on which the package is based, that should require a higher level of support.

It should be noted that the States of Deliberation cannot bind itself or future Assemblies. However, two-thirds majority requirements are recognised and established within Guernsey's constitutional arrangements. This amendment is intended to increase the procedural difficulty and political consequences of removing or weakening the legal protections for the mitigations, thereby providing greater durability for the progressive nature of the tax reform package.

This amendment is supported by Forward Guernsey.