P.2026/49 Amdt 20

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

15th July, 2026

Proposition No. P. 2026/49

Policy & Resources Committee

Tax Reform 2026

AMENDMENT

Proposed by: Deputy D Goy
Seconded by: Deputy A Matthews

To delete all the propositions and substitute the following:

"To direct the Policy & Resources Committee to conduct a formal fiscal impact assessment and legal review into reforming the document duty structure to introduce a tiered High-Value Document Duty multiplier framework as set out in the Explanatory Note; and to report its findings and implementation blueprints to the States of Deliberation by no later than June 2027."

Rule 4(1) Information

a) The proposition contributes to the States' objectives and policy plans by ensuring Guernsey's tax system remains fair and just

b) In preparing this proposition no 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) The financial implication of carrying out this amendment would be strongly positive, yielding an ongoing progressive revenue stream for the States' capital infrastructure fund, whilst incurring minimal administrative overheads due to the utilisation of existing collection systems at the Greffe.

e) Drafting advice has been sought from the States' Greffier.

Explanatory Note

High-Value Document Duty

1. Executive Summary

1.1 This Amendment presents proposals for the introduction of a progressive surcharge on high-value residential property transactions within the Bailiwick, to be known as the High-Value Document Duty (HVDD).

1.2 The objective is to ensure that the acquisition of premium residential property contributes proportionately to the public systems, infrastructure, and socio-economic stability that underpin and safeguard property values within Guernsey.

1.3 It is proposed that the levy be implemented using a tiered multiplier framework applied directly to the existing standard Document Duty baseline. This mechanism minimises administrative complexity by utilising the established collection systems at the Greffe.

2. Background and Objectives

2.1 Premium residential property values in Guernsey benefit significantly from the island's robust infrastructure, political stability, fiscal security, and public services. It is therefore equitable that individuals acquiring high-value real estate assets make a proportionate, enhanced contribution to the preservation and development of these public systems.

2.2 The proposed High-Value Document Duty targets residential conveyances exceeding £2.5 million. By focusing exclusively on entry-level high-value, elevated capital, and ultra-high-value properties, the duty protects the broader domestic housing market while securing non-distortionary revenue for capital infrastructure funding.

3. Proposed Tier Structure and Levy Calculation

3.1 To maintain simplicity and transparency, the High-Value Document Duty will not require a separate assessment process. Instead, it will function as a progressive premium asset factor applied to the standard statutory Document Duty baseline already calculated at the point of conveyance.

3.2 The total levy is determined using the following formula:

High-Value Document Duty = $M_D \times D_{\text{Standard}}$

Where:

- D_{Standard} (The Duty Baseline): The standard statutory Document Duty calculated on the purchase price of the property at the point of conveyance.

- M_D (The Duty Multiplier): The progressive premium asset factor determined by the transaction tier.

3.3 PIT recommends the introduction of three distinct high-value bands, structured as follows:

Transaction Tier	Property Value Range	Duty Multiplier (M_D)	Effective Surcharge
Tier 1	£2.5M – £5.0M	1.25×	25% premium surcharge on standard liability
Tier 2	£5.0M – £10.0M	1.50×	50% premium surcharge on standard liability
Tier 3	Over £10.0M	1.75×	75% premium surcharge on standard liability

4. Implementation and Collection Mechanism

4.1 Collection: To minimise administrative overheads for both the States and the taxpayer, the surcharge will be calculated and collected at the point of conveyance through the existing Document Duty collection framework administered by the Greffe.

4.2 Governance: The Revenue Service, working in close coordination with the Housing Department, will be responsible for setting and reviewing the Duty Multipliers (M_D). These reviews will occur periodically to ensure the framework remains aligned with broader macroeconomic market conditions and specific infrastructure funding requirements within the Bailiwick.

5. Exemptions and Anti-Avoidance Framework

5.1 To ensure fairness and alleviate unintended regulatory friction, specific exemptions will be codified. These are restricted to the following circumstances:

- Charitable and Public-Benefit Acquisitions: Purchases made by independently registered public-benefit and not-for-profit organisations. This is strictly subject to formal verification that the transaction yields no direct or indirect private benefit to connected individuals or entities.
- Court-Ordered and Hardship Transfers: Property transfers necessitated by court orders, or arising directly from verified hardship cases, including but not limited to divorce settlements and probate distributions.
- Intra-Family and Inheritance Succession: Transfers between close family members as part of estate succession, inheritance, or bona fide intra-family restructuring.

Anti-Avoidance Provision: To qualify for the intra-family exemption, a transaction must result in a genuine, verifiable change in beneficial ownership. The property must not remain under the same effective control or economic arrangement as prior to the transfer. Where legal structures—such as connected parties, trusts, or associated corporate entities—are deployed to preserve prior ownership or control, the exemption shall be explicitly denied.