P.2026/49 Amdt 25

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

15th July, 2026

Proposition No. P.2026/49

Policy & Resources Committee

Tax Reform 2026

MOTION UNDER ARTICLE 7(1) OF THE REFORM (GUERNSEY) LAW, 1948

Proposed by: Deputy M Helyar
Seconded by: Deputy G St Pier

To suspend Rule 24(2) of the Rules of Procedure of the States of Deliberation and their Committees to the extent necessary to permit the amendment below to be debated.

AMENDMENT

Proposed by: Deputy M Helyar
Seconded by: Deputy G St Pier

To insert an additional proposition as follows:

> "To direct the inclusion within the scope of the further longer term work on the future development of Guernsey's tax system (envisaged in Appendix 3 of the Tax Review Sub-committee's report) the development and examination of proposals for a single common tax rate framework, founded upon the principles of strengthening the Bailiwick's international competitiveness, supporting sustainable economic growth and maintaining a tax system that continues to provide a strong foundation for Guernsey's long-term economic model.".

Rule 4(1) Information

a) This Amendment contributes to the States' objectives by supporting the development of a tax system that promotes economic competitiveness, sustainable growth and long-term fiscal resilience..

b) No formal consultation has been undertaken as this Amendment relates to propositions contained within the Policy Letter and is therefore a matter for the States as a whole.

c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

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

Explanatory Memorandum

For many decades, Guernsey's economic success has been underpinned by a tax system that has enhanced the Island's international competitiveness. Tax policy should not be regarded solely as a mechanism for raising revenue. It is also one of the principal economic policy tools available to the States and should continue to support enterprise, investment, employment and sustainable economic growth.

A Single Common Tax Rate Framework would examine whether the Island's principal taxes and compulsory social security contributions could, so far as practicable, be aligned around a common headline rate, creating a simpler, more transparent and internationally competitive fiscal framework while maintaining sustainable public finances.

This amendment does not prescribe the detailed design of such a framework, nor any particular rate. Those matters would be developed by the Policy & Resources Committee as part of its future work programme and returned to the States for consideration in due course.

During the public Scrutiny hearing on the Policy Letter, the Policy & Resources Committee confirmed that the proposals contained within this Policy Letter do not represent the final design of Guernsey's long-term tax system and that further work will be undertaken before future proposals are brought before the States.

This amendment does not seek to determine the outcome of that work. Rather, it provides strategic direction by requesting that the future programme of work includes consideration of a **Single Common Tax Rate Framework** as one possible long-term approach to tax reform.

Glossary

Single Common Tax Rate Framework

For the purposes of this Resolution, a *Single Common Rate Framework* means a fiscal framework under which the principal taxes and compulsory social security contributions are, so far as practicable, designed around a single common headline rate, while maintaining fiscal sustainability and recognising that different tax bases may require different legislative and administrative arrangements.