P.2026/49 Amdt 31

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

30th September, 2026

Proposition No. P. 2026/49

Policy & Resources Committee

Tax Reform 2026

AMENDMENT

Proposed by: Deputy R Curgenven
Seconded by: Deputy J Ozanne

In Proposition 1, immediately after the words "Appendix 7" to insert the following words:

"subject to zero rating GST on the supply or importation of a motor vehicle where:

(a) the vehicle is designed or substantially and permanently adapted for the carriage of a person in a wheelchair or on a stretcher, or is designed or substantially and permanently adapted to enable a person who normally uses a wheelchair, or who must be carried on a stretcher, to enter and drive or be carried in that vehicle (including a mobility scooter supplied to such a person); and

(b) the supply or importation is to that person, or to a parent, guardian or carer acting for that person,

and the Policy & Resources Committee shall, in preparing the GST legislation, provide for a certificate of eligibility based on the model used in Jersey so that the zero-rating may be applied at the point of supply or importation.".

Rule 4(1) Information

a) The proposition contributes to the States' objectives and policy plans by applying consistently across the tax reform package the relief which the package already provides, within the transport taxes, for vehicles needed by reason of disability.

b) Some limited 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 revenue foregone has not been quantified. The number of disability-adapted vehicles first registered in Guernsey each year is not stated in the Policy Letter. On the volume likely in Guernsey the GST foregone at 3% is expected to be modest and not to have a material effect on the revenue estimated for the consumption tax.

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

Explanatory Note

This amendment zero-rates GST on the supply or importation of a motor vehicle that is designed or substantially and permanently adapted for a person who normally uses a wheelchair or who must be carried on a stretcher, where the vehicle is acquired by that person or by a parent, guardian or carer acting for that person. A mobility scooter supplied to such a person is included. It does not zero-rate vehicles that are exempt from first registration duty only by reason of age, agricultural use, road repair, motor sport or hire.

Paragraphs A7.5 and A7.6 of Appendix 7 to P.2026/49 propose a one-off surcharge, added to vehicle first registration duty, on vehicles with a value of at least £50,000. Paragraph A7.6 provides that exemptions from that surcharge would apply, among other cases, to "motor vehicles driven by or used for the carriage of a person with a disability subject to specific requirements". The published package also proposes that mobility scooters and invalid carriages, and motor vehicles driven by or used for the carriage of a person with a disability, be exempt from the annual vehicle tax and from that surcharge.

The package therefore accepts that the acquisition of such vehicles should not be subject to additional transport taxation. Figure 10 of P.2026/7 contains no relief from GST for such vehicles, and no other provision of either Policy Letter does so. At a rate of 3%, GST on a typical adapted vehicle would be a material extra charge on the same purchase that Appendix 7 has already treated as unworthy of extra tax.

Jersey already relieves from GST the importation by, or supply to, an eligible person of a motor vehicle that is designed or substantially and permanently adapted for the carriage of a person in a wheelchair or on a stretcher, or adapted to enable such a person to enter and drive or be carried in that vehicle. Eligibility is confirmed by a Certificate of Eligibility. This amendment follows that design rather than copying every class of vehicle exempt from first registration duty under the Motor Taxation (First Registration Duty) (Exemptions and Preferential Rates) Regulations, 2016.

GST is charged on supply or importation. First registration, and any exemption from first registration duty, may occur later. A certificate of eligibility, provided for in the GST legislation on the Jersey model, allows the zero-rating to be applied at the point of supply or importation and avoids dealers having to operate a second, separate exemption code.

Adaptation work, parts and servicing are left for consideration when the GST legislation is prepared. This proposition is confined to the vehicle itself.