P.2026/49 Amdt 34

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 L McKenna

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

"subject to the following:

a person who constructs, or commissions the construction of, a residential property otherwise than in the course of a business:

(a) shall be entitled to a certificate on production of which a supplier shall not charge GST on goods or services supplied for the purposes of that construction; and

(b) shall be entitled to recover GST incurred on goods and services supplied for the purposes of that construction.".

Rule 4(1) Information

a) The proposition contributes to the States' objectives and policy plans by removing a distortion in favour of developer-led speculative construction and against those building their own homes, and by placing beyond doubt provision which the Policy & Resources Committee has confirmed it is looking to include but for which neither Policy Letter provides.

b) In preparing this proposition limited consultation with the Policy and Resources has taken place.

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

d) The relief places the self-builder in the position already occupied by a developer under Figure 10 of P.2026/7, and to that extent the revenue was not intended to arise. The Committee's reply of 27th August 2026 records that it is looking to include provision to the same effect, so the amendment does not depart from the basis on which the published forecasts were prepared. Whether the modelling behind Figure A7.1 assumed receipts from self-build construction has not been established; the Committee's reply of 3rd July 2026 to Rule 14 Question 1(c) records that no adjustment was made for "the likely under provision in the expenditure mapping of exceptionally high value purchases (such as substantive construction works by local households)". The amount has not been quantified.

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

Explanatory Note

The States agreed (P.2026/7) that a developer building houses for sale would be making zero-rated supplies. Consequently, developers would be able to recoup any GST they paid in the construction of a home. By contrast, a person building their own home, would not be making a supply and consequently would be liable to GST on costs incurred building their home.

In response to questions on this topic, the Policy & Resources Committee has confirmed its intention to make provision to the same effect as the schemes operated in Jersey, under which a home-builder can have construction costs zero-rated, and may reclaim any tax paid. Neither policy letter provides for it, and the intention is expressed subject to the policy objectives of another Committee.

This amendment places the position beyond doubt, and signals that it is the clear intent of the States of Deliberation that self-builders should not be treated less favourably than developers.