P.2026/49 Amdt 37

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 D Goy
Seconded by: Deputy A Matthews

To insert an additional proposition as follows:

"To direct the Policy & Resources Committee to investigate the financial yield, legal framework and implementation mechanisms required to introduce a High-Value Document Duty (HVDD) on residential property transactions exceeding £2.5 million, structured on a marginal basis whereby progressive surcharges apply only to the portion of standard Document Duty attributable to each applicable property-value band, based on the framework set out in the Explanatory note, including the recommended surcharge rates of 25%, 50% and 75% as starting-point values; and to lay a comprehensive report before the States of Deliberation no later than June 2027 detailing the legislative, administrative and enforcement mechanisms required for its operation."

Rule 4(1) Information

a) The proposition contributes to the States' objectives and policy plans by directing an investigation into a progressive, targeted revenue stream to support the States' finances, while promoting tax fairness by examining whether high-value property acquisitions should contribute proportionately to the public services and infrastructure that sustain their value, without increasing the tax burden on ordinary domestic homeowners.

b) In preparing this proposition 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 implications to the States of carrying the proposal into effect are estimated to be minimal, requiring only a modest amount of officer time to conduct the investigation and prepare the report within existing resources. If the investigation demonstrates that the HVDD is viable and the States subsequently agree to implement it, the future financial impact could be strongly positive, providing an ongoing progressive revenue stream with minimal administrative overhead.

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

Explanatory note

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 of this proposal 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 cumulative marginal band framework applied directly to the standard Document Duty baseline. Under this system, progressive surcharges apply exclusively to the portion of Document Duty generated within each respective property value slice, rather than scaling the total baseline liability.

1.4 By adopting a sliced marginal approach, this proposal eliminates cliff-edge market distortions while maintaining fiscal equity and administrative simplicity, relying seamlessly on existing 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 £2.5 million and above. By focusing exclusively on high-value properties, the duty protects the broader domestic housing market.

3. Proposed Value Bands 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 surcharge applied directly to the standard statutory Document Duty generated within each applicable property value band at the point of conveyance.

3.2 For illustrative purposes, the recommended starting-point calculation for the total Document Duty payable is as follows:

$$\textit{Total Document Duty} = \textit{DStandard} + (\textit{DSlice1} \times 0.25) + (\textit{DSlice2} \times 0.50) + (\textit{DSlice3} \times 0.75)$$

Where:

- ***DStandard*:** The standard statutory Document Duty calculated on the total purchase price under normal Greffe rates.
- **DSlice1:** The portion of standard statutory Document Duty generated exclusively by property value exceeding £2,500,000 up to £5,000,000.
- **DSlice2:** The portion of standard statutory Document Duty generated exclusively by property value exceeding £5,000,000 up to £10,000,000.
- **DSlice3:** The portion of standard statutory Document Duty generated exclusively by property value exceeding £10,000,000.

3.3 The recommended three distinct high-value bands are structured as follows:

Value Band	Property Value Range	Surcharge Rate	Application Scope
Band 0	Up to £2,500,000	0.00%	Standard Document Duty baseline only
Band 1	Exceeding £2,500,000 up to £5,000,000	25.00%	Applied to DSlice1 (duty generated within this slice)

Value Band	Property Value Range	Surcharge Rate	Application Scope
Band 2	Exceeding £5,000,000 up to £10,000,000	50.00%	Applied to DSlice2 (duty generated within this slice)
Band 3	Exceeding £10,000,000	75.00%	Applied to DSlice3 (duty generated above £10M)

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 (*MD*). These reviews will occur periodically to ensure the framework remains aligned with broader macroeconomic market conditions.

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.