P.2026/49 Amdt 43

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 A Matthews
Seconded by: Deputy J Gollop

To insert an additional proposition as follows:

"To agree in principle that a new Proportional Property Tax (PPT), based on property value, and Land Value Tax (LVT) based on the unimproved value of a parcel of land, should be investigated and to direct the Policy & Resources Committee to return to the States no later than June 2028 with proposals which should include consideration of:

a) How property tax should be calculated and applied and whether there should be any exemptions;
b) Whether a new tax should be applied in addition to or instead of Domestic Tax on Real Property;
c) A mechanism to allow pensioners and low-income households to defer the payment of property taxes until the sale or the transfer of the property to a new owner;
d) The potential to partly or fully replace Document Duty or for specified categories of property purchase, including:
i) first-time buyers only, or
ii) purchases of principal private residences only, or
iii) for all residential purchases.
e) The potential to partly fund an increase to the scale of the amount of interest paid that is allowable for Mortgage Income Tax Relief for Income Tax;

f) A premium rate of Proportional Property Tax for second homes, unoccupied homes, and properties in foreign ownership;

g) A banded or tiered mechanism to allow lower rates for residences at lower values.".

Rule 4(1) Information

a) The proposition contributes to the States' objectives by ensuring Guernsey's tax system remains fair and just and raises significant extra income efficiently.

b) there has been no consultation with the current Policy and 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 limited to the internal resource cost within the Policy and Resources Committee of investigating and presenting new tax proposals,

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

Explanatory Note

The purpose of this amendment is to not present an alternative form of taxation based on the reform of residential property taxation. In particular it presents the potential to raise revenue from higher valued properties, using a mechanism that is fairer and more proportionate than the existing TRP arrangements. The amendment also calls for the investigation of the possibility of partial or complete replacement of Document Duty with an annual levy.

The concept of a "Proportional Property Tax" is one that has been promoted in the UK by the Fairer Share campaign to replace UK Council Tax and Stamp Duty for the UK. This amendment calls for the investigation of a locally applicable concept to be considered. A similar version of this amendment was previously considered by the States of Guernsey in 2023, as part of the "Tax Review, Phase 2" proposals, referenced as P.2022/112 Amdt 7.