P.2026/49 Amdt 53

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:

> "save that, in relation to GST, an in-person supply of goods is zero-rated where no person located within the Bailiwick, for or on behalf of the supplier, acts in real time to effect, facilitate or supervise the selection of, payment for, or handover of the goods."

Rule 4(1) Information

a) The proposition contributes to the States' objectives and policy plans by ensuring that the tax system can be complied with by those on whom it is imposed, and by preserving a form of trade which supports local food production and the rural economy.

b) In preparing this proposition no consultation has taken place.

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

d) The value of supplies made from unattended outlets is not separately identified in Figure A7.1, nor in the Household Expenditure Survey 2018/19 on which the household expenditure base is built, and the revenue foregone has therefore not been quantified.

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

Explanatory Note

Businesses registered for GST will be under an obligation to account for inputs and outputs and to provide a GST receipt for transactions. Across the Bailiwick a substantial volume of trade is conducted in modalities where issuance of a GST receipt is wholly impractical such as hedge veg stalls and honesty boxes.

Whilst the majority of these are operated by businesses small enough that they would not be obliged to register for GST, they would have the right to register if they wished, and some will be operated by larger businesses (e.g.) as a way of selling excess stock.

Two distinct problems arise. The first is that the supplier cannot issue an invoice at all, even in the simplified form contemplated by a retail scheme, because there is no verification of the transaction and nobody present to issue the receipt. The second is that a charity or registered business which buys from such an outlet holds no document on which to reclaim the GST included in the price it has paid.

Zero-rating provides a pragmatic and proportionate method to address an issue which is likely to only effect a very modest proportion of transactions and spending.

The test in this amendment is drawn by reference to human intervention rather than by reference to the type of outlet. That is deliberate. It avoids the need for a list of qualifying premises to be compiled and maintained, and it avoids resting the boundary on Environmental Health registration, which paragraphs 6.27 to 6.31 of P.2026/7 contemplate using for the food and non-food boundary while acknowledging that it produces grey areas, requires the Revenue Service to hold discretionary powers to determine a primary classification, and requires a route for a business to dispute that classification.