

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

25th February, 2026

Proposition No. P. 2026/7

Policy & Resources Committee

Tax Reform: Workstream 1

AMENDMENT

Proposed by: Deputy L McKenna
Seconded by: Deputy S Vermeulen

To delete all propositions and to substitute therefor:

- “1. To agree a goods and services tax shall not be introduced, and:
- (i) to rescind Resolution I. 1B. and Resolution I. 1C. of Billet d’Etat No. XIX dated 14th October, 2024 made on 8th November 2024; and
 - (ii) to direct the Policy & Resources Committee to cease all preparations for the introduction of any goods and services tax.”.

Rule 4(1) Information

- a) The proposition contributes to the States’ objectives and policy plans by ensuring Guernsey’s tax system remains fair and just.
- 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 financial implication of carrying out this amendment is to free up resources currently working on the preparation of GST to be utilised elsewhere.
- e) Drafting advice has been sought from the States Greffier.

Explanatory Note

The effect of this amendment is to give clear indication that the States does not support the introduction of a goods and services tax and to halt any work being undertaken to introduce a goods and services tax.

It rescinds the resolution which Policy & Resources Committee has relied upon to present the original propositions to the States.

Resolution I. 1B.& Resolution I. 1C of Billet d’Etat No XIX dated 14th October 2024 made on 8th November 2024:

- “1B. To direct the Policy & Resources Committee, working with the Committee for Employment & Social Security, to finalise proposals and submit legislation to the States of Deliberation to implement an integrated package of revenue raising measures in time for that package to be operative from the start of 2027, which would include (without limitation) the introduction of an additional 15% lower tax rate band for individuals, a restructure of social security contributions; a broad based Goods and Services Tax of 5% and other mitigating measures; as described in sections 6-10 of Article V of Billet d’Etat II, 2023 (Tax Review: Phase 2), with appropriate changes to the monetary thresholds included in that package to account for the effect of inflation in the intervening period, and;
- 1C. To direct the Policy & Resources Committee, as part of the work to prepare for the introduction of a Goods and Services Tax, to thoroughly explore the advantages, disadvantages and impact of applying the tax to or zero-rating food.”.