

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

3rd November 2026

Proposition No. 2026/82

Policy & Resources Committee

The States of Guernsey Annual Budget for 2027

AMENDMENT

Proposed by: Deputy G St Pier

Seconded by: Deputy S Kazantseva-Miller

To insert an additional proposition immediately after Proposition 4 as follows:

“4A. To direct the Policy & Resources Committee to undertake a cost-benefit analysis of the Open Market Tax Cap and report the results in the 2028 Budget Report.”.

Rule 4(1) Information

- a. The proposition contributes to the States’ objectives and policy plans by ensuring tax equity.
- b. 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 proposition has no impact any revenue or expenditure estimates for 2027.
- e. Drafting advice has been sought from the States Greffier and advice has been sought from officers of the Policy & Resources Committee.

Explanatory note

Background

The Open Market Tax Cap (“OMTC”) was originally introduced in 2018 as a innovative trial measure to stimulate the open market, as the volume of sales in that market had fallen, following discussions and subsequent changes to the population management regime.

The cap is currently set at £60,000 and applies in the year the individual takes up permanent residence and the following 3 years. Individuals are required to pay at least £50,000 in document duty (or document duty anti avoidance duty) on the purchase of a property on Part A of the Open Market Register (or the purchase of all shares in a relevant company that owns such as property), within 12 months either side of their taking up residence in Guernsey.

The 2027 Budget Report proposes an increase in the OMTC from £60,000 in 2026 to £65,000 in 2027, £75,000 in 2028, £85,000 in 2029 and £95,000 for 2030. Thereafter, the cap would increase in line with RPIX. The amount of document duty or equivalent anti-avoidance duty needing to be paid is proposed to increase from £50,000 to £70,000 which represents an RPIX increase since the introduction of the cap in 2018.

Any Guernsey/Alderney property income, commutations of Guernsey pensions or unauthorised payments from approved pension and annuity schemes, are taxed in addition to the OMTC.

After the 4-year period, the individual pays tax on the same basis as any other solely or principally resident individual.

Proposal

Since 2018, following Covid and the ending of the non-domicile tax regime in the UK, the open market has strengthened considerably in terms of both prices and number of annual transactions.

No detailed analysis of the OMTC has been undertaken since its introduction. Whilst the Budget Report has proposed increases in the OMTC, there is no clear rationale presented for the proposals. Accordingly, this amendment simply directs that P&R undertake a cost-benefit analysis of the OMTC and reports this back to the States in next year’s Budget Report.