

**Response to a Question Pursuant to Rule 14
of the Rules of Procedure of the States of Deliberation and their Committees**

Subject: The Productivity Incentivisation Tax (PIT) as an Alternative to GST and Corporate Tax Increases

States' Member: Deputy David Goy

Date received: 6th May 2026

Date of reply: 21st May 2026

Question 1:

Can the Committee provide the total TRP value of Local and Open Market properties that have been recorded as:

- Vacant or "unoccupied" for more than six months?
- Underused (occupied for fewer than 91 days per year)?

Answer:

Cadastre does not hold data on vacant properties or property utilisation. This information is not required for the calculation of tax liability and is therefore not included within the categorisation of data currently held.

Also note that data held by the Revenue Service on residency is determined by the location of the taxpayer in the jurisdiction for a specified number of days: it is not tied to a specific residence and does not contain data relevant to this request.

The Data & Analysis Unit publish a count of vacant properties calculated using data from Guernsey Electricity and affordable housing vacancy information, but this is not sufficiently robust to form a basis on which to base the application of a tax. The information is published here: [CHttpHandler.ashx](#)

This application of additional charges to vacant properties is discussed further in the Guernsey Housing Plan ([CHttpHandler.ashx](#)) and the 2025 budget ([CHttpHandler.ashx](#))

Question 2:

Can the Committee provide the total TRP value (built property and land) of privately owned **commercial properties** that have been recorded as vacant or unoccupied for more than six months?

Answer:

The information held by the Cadastre for calculation of TRP liability does not include these classifications.

Question 3:

Can the Committee translate the total TRP units identified in the above questions into their equivalent land area in square meters?

Answer:

The information held by the Cadastre for calculation of TRP liability does not include these classifications.

Question 4:

Can the Committee also provide the total number of individual property units associated with the TRP data identified in Questions 1 and 2?

Answer:

The information held by the Cadastre for calculation of TRP liability does not include these classifications.

Question 5:

What is the current annual revenue generated from TRP on the aforementioned vacant and underused properties?

Answer:

The information held by the Cadastre for calculation of TRP liability does not include these classifications.

Question 6:

What is the estimated annual revenue from a **100x TRP surcharge** (or similar theoretical punitive multiplier) on the aforementioned vacant and underused properties?

Answer:

An enhanced rate of TRP for unoccupied properties was proposed as part of the Guernsey Housing Plan ([CHttpHandler.ashx](#)) and the 2024 Budget; however, the proposal was not supported due to concerns about its practical operability. As a result, the relevant resolution was rescinded as part of the 2025 Budget. There are many reasons why residential

properties might be vacant, but limited evidence. Applying a penal fiscal measure in the absence of robust data risks being ineffective or disproportionate.

For this reason, the previous Policy & Resources Committee proposed that a stronger evidence base should be developed, including the systematic collection of data on vacant homes and the reasons for their vacancy. This would support a more informed and targeted response, potentially through legal, planning, fiscal or other policy interventions, and in addition the potential use of penalties for vacant homes could be reconsidered once the position is better understood. The Policy & Resources Committee has requested that the Committee for Housing consider prioritising this workstream as part of the Guernsey Housing Plan.

A surcharge set at 100x the current TRP liability (which would equate to a charge of around £35,000 a year for a residential property of an average size) may be deemed excessive and disproportionate and could be subject to legal challenge.

The fact that data is not categorised in this way means it is not possible to make an accurate estimation of the potential revenues. However, based on the TRP liability on an average sized property (c150 units) and an indicative estimate that 0.7% of properties may be vacant, a surcharge set at 10 times the current value on residential properties would raise around £650k a year. It is highly likely that any application of legislation of this type would need to incorporate exceptions for cases where the owners were in long-term care, are serving in the armed forces or have other extenuating circumstances which would reduce the available revenues. It is therefore likely that a penal rate on residential property of this quantum would potentially raise significantly less than £1m.

Note that Alderney do not fall under Guernsey's TRP system and set their own rates of property taxes and would not be included in any policy applied in Guernsey.

Question 7:

Does the Committee hold data correlating the TRP value of a resident's primary dwelling with the amount of Personal Income Tax paid by the occupants? If so, how many households occupy properties with a market value over **£2 million** but pay less than the median personal income tax contribution for the Bailiwick?

Answer:

Rolling Electronic Census data does enable an approximation of household income by the TRP value of a property, but not its market value. Market value information is not required for that calculation of tax liability. Given the changing nature of property values, collection of that data would be onerous and expensive to collect, open to challenge and difficult to maintain to an accurate standard over time.

Taking an alternative approach to the question, it is estimated that there are approximately 500-560¹ houses with a TRP in excess of 280 (the largest 10%) where:

¹ The range reflects households where there is a question regarding the nature of the household or the completeness of the data

- the occupants had been resident on island and at that address for at least 12 months,
- do not appear to be a hotel, guest house, care home or have multiple occupancy, and
- where the household income tax and social security contributions liability appears to be less than the median for all households.

It is expected that approximately 30 of these may be paying the £50,000 standard charge. Note that no adjustment has been made for the number of adults resident in the property.

Question 8:

Following on from the above question, how many of those households consist of genuine retirees (i.e., those living on pensions and/or personal savings alone)?

Answer:

There is a disproportionately high number of pensioner households in this group. Households where there is at least one person resident who is over pension age accounting for between 70% and 80% of the total (a total of 380-390).

The pensioners in this group are likely to have less income than those of working age relative to their assets and to have a greater reliance on capital to support their lifestyle. They are also subject to significantly lower rates of social security contributions than households of working age.

Question 9:

Can the Committee provide a breakdown of the number of vehicles currently registered in the Bailiwick with an original OTR (On The Road) price exceeding £75,000, and provide revenue estimates for a tiered "**Road Infrastructure Levy**" based on the following model:

- a. Tier 1: 1% annual levy for vehicles with an OTR value of £75,000 – £125,000.
- b. Tier 2: 2.5% annual levy for vehicles with an OTR value of £125,001 – £250,000.
- c. Tier 3: 5% annual levy for vehicles with an OTR value exceeding £250,000.
- d. Estimates should include a 50% "Age Reduction" for vehicles over 7 years old.

Answer:

The Committee for the Environment & Infrastructure and the Policy & Resources Committee are working on proposals to reform the structure of motoring taxes, including the application of a high value vehicle surcharge as agreed in the 2026 Budget. These will be made public in June 2026.

Question 10:

What would be the projected revenue increase if landing and hangarage fees for non-commercial private aircraft and mooring fees for vessels over 15 meters were doubled?

Answer:

This revenue would accrue to Guernsey Ports and would not be available to fund public services more generally. The application of these charges does not fall within the mandate of the Policy & Resources committee and should be referred to the States Trading Supervisory Board.

Question 11:

What would be the projected annual yield of a **15% Document Duty bracket** for property transactions exceeding **£2 million**?

Answer:

Document duty thresholds were reviewed and amended in 2025 to take account of inflation. In addition, a new threshold for transactions over £5m was introduced, with the duty set at 7%. The current document duty rates are as follows:

The current document duty rates are as follows:

Lower threshold	Upper threshold	Rate
-	£300,000	2.25%
£300,000	£500,000	3.50%
£500,000	£950,000	4.00%
£950,000	£1,250,000	4.25%
£1,250,000	£2,500,000	4.50%
£2,500,000	£5,000,000	5.50%
£5,000,000	-	7.00%

Table 1: Current document duty thresholds

The addition of a bracket of 15% for property transactions exceeding £2m would replace the 5.5% and 7.0% brackets, and the upper threshold for the bracket at 4.5% would decrease. Revised document duty brackets are shown with changes in yellow:

Lower threshold	Upper threshold	Rate
-	£300,000	2.25%
£300,000	£500,000	3.50%
£500,000	£950,000	4.00%
£950,000	£1,250,000	4.25%
£1,250,000	£2,000,000	4.50%
£2,000,000	-	15.00%

Table 2: Proposed thresholds with a 15% bracket for £2m+

The level of document duty for a single year is highly variable and therefore difficult to forecast, as it is dependent on both the volume and value of conveyances. This is particularly so for properties in the highest value brackets. Therefore, analysis has been based on transactions within the period of just over five years from 1st January 2021 to 30th April 2026². This data represents the realty price shown on the conveyance and recorded at the Greffe, so is fully subject to document duty. The personalty element to which document duty does not apply is not part of the dataset.

There have been 229 property transactions exceeding £2m, with a total value of £848.1m over the period January 2021 to end April 2026. The document duty under current brackets, per Table 1, is estimated at £40.0m over the period January 2021 to end April 2026. That is an average of £7.6m a year or an average of £174.6k per transaction. However, there is very significant variation from year to year.

Under revised brackets (per Table 2) using the same data the average per transaction (based on the same mix of property value) would be £333.8k – an increase of approximately 90%. Without considering behavioural change, the increases in document duty payable with a 15% bracket could be significant (up to £7m a year), with the document duty more the doubling for properties above £3.7m if there is no behavioural change as a result of the increase. However, given the extent of the increases it is reasonable to assume that there would be significant behavioural change as a result.

The table below compares document duty between the current brackets and the proposed brackets of properties at certain values.

Property price	Document duty	
	Current brackets, Table 1	Proposed brackets, Table 2
£2m	£78,250	£78,250
£3m	£128,250	£228,250
£4m	£183,250	£378,250
£6m	£308,250	£678,250
£10m	£588,250	£1,278,250
£12m	£728,250	£1,578,250

Table 3: Document duty under current and proposed brackets at certain property values

Because the change in the document duty on the highest value properties under this schedule would be significant, there would also be significant likelihood of behavioural change manifesting as a reduction in demand and/or a reduction in the selling price of high

² Note, this data excludes the most expensive residential property sale recorded in Guernsey of just over £24m in 2024 which is a clear outlier when compared to the next three highest transactions which are all between £14.1m and £15.2m.

Some of these transactions will have qualified for the scheme to encourage ‘down-sizing’ introduced from 1st January 2023 whereby the first £0.5m of the property being purchased by the ‘down-sizer’ is charged at 0% document duty, subject to certain conditions being met. Whilst it may affect the total document duty receipt it would do so equally under the current and proposed brackets so does not affect the differential.

value properties. That could also have repercussions in other areas of taxation (if it discourages a HNWI from relocating to Guernsey for example). Taking data for 2025 only, if we assume no demand changes and the implementation of the 15% banding, just over 50% of the estimated increase in document duty would be from the seven highest value property sales. If buyers of high value properties chose not to purchase due to the higher cost of document duty, there would be a significant impact on revenue generation.

In summary, while on the surface the revenue generated from a 15% bracket for properties over £2m could be significant, the extent of the potential behavioural change is likely to erode a large proportion of the value. The extreme volatility of revenues from this source would also make this unsuitable to form the basis of a stable long-term revenue raising proposal.