

**Jersey Law 21/1995**

**FINANCE (No. 4) (JERSEY) LAW 1995**

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**A LAW** to continue certain expiring fiscal laws; to prescribe the standard rate of income tax for the year nineteen hundred and ninety-five; to amend further the law relating to income tax to increase certain personal allowances and reliefs and in respect of deductions on account of Social Security contributions, and to make new provision with regard to the taxation of certain partnerships, and to modify provisions relating to payments made under covenants and donations to charity and in respect of tax credits and annuity contracts and purchased life annuities; and to increase the fee for registration under the Banking Business (Jersey) Law 1991, as amended; and to increase tobacco duty and oils and spirits duty, sanctioned by Order of Her Majesty in Council of the

**17th day of MAY 1995**

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*(Registered on the 4th day of August 1995)*

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**STATES OF JERSEY**

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The 17th day of January 1995

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**THE STATES**, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

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*PART I*

CONTINUATION OF CERTAIN EXPIRING FISCAL LAWS

ARTICLE 1

The Laws mentioned in the Schedule to this Law, as amended and as continued in force by any subsequent enactment, shall remain in force until the thirty-first day of December 1995.

*PART II*

STANDARD RATE OF INCOME TAX FOR 1995

ARTICLE 2

There shall be levied and charged in the Island for the year nineteen hundred and ninety-five in accordance with the provisions of the Income Tax (Jersey) Law 1961,<sup>1</sup> as amended<sup>2</sup> by any subsequent enactment, including this Law, income tax at the standard rate of twenty pence in the pound.

<sup>1</sup> Volume 1961–1962, page 197.

<sup>2</sup> Volume 1961–1962, page 445, Volume 1963–1965, pages 97, 115, 144, 178, 190, 423 and 424, Volume 1966–1967, pages 420, 523, 524 and 526, Volume 1968–1969, page 220, Volume 1970–1972, pages 204, 209, 210 and 382, Volume 1973–1974, pages 275 and 276, Volume 1975–1978, pages 47, 48, 257 and 258, Volume 1979–1981, pages 17, 157, 158, 159, 163, 297, 298, 383 and 384, Volume 1982–1983, page 47, Volume 1984–1985, page 76, Volume 1986–1987, pages 192, 193, 198, 201, 211, 219 and 299, Volume 1988–1989, pages 222, 223, 224, 380, 383 and 384, Volume 1990–1991, pages 97, 98, 99, 103, 104, 105, 431, 432, 434 and 435, Volume 1992–1993, pages 35, 36, 37 and 38, and Volume 1994–1995, pages 219 and 231.

*PART III*INCREASE OF PERSONAL ALLOWANCES AND RELIEFS UNDER  
INCOME TAX LAW

## ARTICLE 3

(1) In Article 92A of the Income Tax (Jersey) Law 1961,<sup>3</sup> as amended<sup>4</sup> (hereafter in this Part referred to as “the principal Law”) –

- (a) in paragraph (1) for the words “nine thousand three hundred and seventy-five pounds” and “fifteen thousand two hundred and fifty pounds” there shall be substituted the words “nine thousand six hundred pounds” and “fifteen thousand six hundred and thirty pounds” respectively;
- (b) in the first proviso to paragraph (1) for the words “nine thousand three hundred and seventy-five pounds” and “fifteen thousand two hundred and fifty pounds” there shall be substituted the words “nine thousand six hundred pounds” and “fifteen thousand six hundred and thirty pounds” respectively, and for the words “two thousand pounds”, in both places, there shall be substituted the words “two thousand pounds or three thousand pounds, as the case may be”;
- (c) in the second proviso to paragraph (1) for the words “nine thousand three hundred and seventy-five pounds” and “fifteen thousand two hundred and fifty pounds” there shall be substituted the words “nine thousand six hundred pounds” and “fifteen thousand six hundred and thirty pounds” respectively;
- (d) in the third proviso to paragraph (1) for the words “nine thousand three hundred and seventy-five pounds” and “fifteen thousand two hundred and fifty pounds” there shall

<sup>3</sup> Volume 1970–1972, page 204.

<sup>4</sup> Volume 1982–1983, page 47, Volume 1988–1989, pages 223 and 224, Volume 1992–1993, page 36, and Volume 1994–1995, pages 219 and 231.

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be substituted the words “nine thousand six hundred pounds” and “fifteen thousand six hundred and thirty pounds” respectively;

- (e) in the fourth proviso to paragraph (1) for the words “nine thousand three hundred and seventy-five pounds”, “one thousand one hundred and twenty-five pounds”, “fifteen thousand two hundred and fifty pounds” and “two thousand two hundred and fifty pounds” there shall be substituted the words “nine thousand six hundred pounds”, “one thousand one hundred and fifty pounds”, “fifteen thousand six hundred and thirty pounds” and “two thousand three hundred pounds” respectively.

(2) In Article 95 of the principal Law<sup>5</sup> –

- (a) for paragraph (1) there shall be substituted the following paragraph –

“(1) If an individual proves –

- (a) that he has living at any time within the year of assessment any child who is either under the age of sixteen years or who, if over the age of sixteen years at the commencement of that year was receiving full-time instruction at any school, he shall, subject to the provisions of this Article, be entitled in respect of each child to a deduction of two thousand pounds; or
- (b) that he has living at any time within the year of assessment any child who is over the age of sixteen years and was receiving full-time instruction at any university, college or other establishment for further education he shall, subject to the provisions of this Article, be entitled in respect of each child to a deduction of three thousand pounds.

<sup>5</sup> Volume 1961–1962, page 255, and Volume 1992–1993, page 38.

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In this paragraph, ‘child’ includes a step-child and an illegitimate child whose parents have married each other after his birth.”;

- (b) in paragraph (3) for the words “by the amount of the excess” there shall be substituted “, in the case of a deduction referred to in sub-paragraph (a) of paragraph (1) of this Article, by the amount of the excess and, in the case of a deduction referred to in sub-paragraph (b) of paragraph (1) of this Article, by three pounds for every two pounds of the excess”.

(3) In paragraph (1) of Article 98A of the principal Law<sup>6</sup> for the words “three thousand seven hundred pounds” there shall be substituted the words “three thousand eight hundred pounds”.

#### ARTICLE 4

This Part of this Law shall have effect for the year nineteen hundred and ninety-four and ensuing years.

#### *PART IV*

### AMENDMENT OF INCOME TAX LAW IN RESPECT OF DEDUCTIONS ON ACCOUNT OF SOCIAL SECURITY CONTRIBUTIONS

#### ARTICLE 5

In paragraph (1) of Article 70A of the Income Tax (Jersey) Law 1961,<sup>7</sup> as amended, for the words “eleven-nineteenths” there shall be substituted the words “fifty-seven per cent”.

<sup>6</sup> Volume 1990–1991, page 99, and Volume 1992–1993, page 38.

<sup>7</sup> Volume 1979–1981, page 297.

## ARTICLE 6

This Part of this Law shall have effect for the year nineteen hundred and ninety-four and ensuing years.

*PART V*AMENDMENT OF INCOME TAX LAW IN RESPECT OF THE  
TAXATION OF PARTNERSHIPS

## ARTICLE 7

After Article 76 of the Income Tax (Jersey) Law 1961,<sup>8</sup> as amended, there shall be inserted the following Article –

## “ARTICLE 76A

**Limited partnerships**

(1) Subject to the provisions of this Article, the provisions of this Law apply to the profits or gains of a partner in a limited partnership.

(2) Paragraph (1) of this Article shall not apply to the profits or gains derived from international activities of a partner in a limited partnership who is not resident in the Island.

(3) Articles 74 and 76 of this Law shall not apply to a partner in a limited partnership.

(4) Articles 86 and 87 of this Law shall not apply in a case where the general partner of a limited partnership responsible for making the annual payment referred to in those Articles is not resident in the Island or is a company which, pursuant to Article 123B of this Law, has made application and been charged to tax as an international business company.

<sup>8</sup> Volume 1961–1962, page 241.

(5) Where a partner in a limited partnership is resident in the Island, or is non-resident in the Island and entitled to profits or gains not excluded from charge by paragraph (2) of this Article, the general partner or, if there is more than one general partner, the general partner who is first named in the partnership agreement shall, when required to do so by any general notice or by notice served on him by the Comptroller, prepare and deliver a statement of those profits or gains arising to the said partners from the activities of the limited partnership.

(6) In this Article –

‘general partner’ means a person who is so named in, or is identifiable through, the partnership agreement and if more than one shall mean each general partner;

‘international activities’ has the same meaning as in Article 123B of this Law;

‘limited partner’ means a person who is so named in, or is identifiable through, the partnership agreement and if more than one shall mean each limited partner;

‘limited partnership’ means a partnership consisting of one or more persons who are general partners and one or more persons who are limited partners;

‘partner’ means a limited partner or a general partner;

‘partnership agreement’ means any agreement in writing of the partners as to the affairs of a limited partnership and the rights and obligations of the partners among themselves;

‘profits or gains’ does not include profits or gains of a capital nature.”.

## ARTICLE 8

This Part of this Law shall have effect for the year nineteen hundred and ninety-five and ensuing years.

*PART VI*AMENDMENT OF INCOME TAX LAW IN RESPECT OF  
PAYMENTS MADE UNDER COVENANT

## ARTICLE 9

For paragraphs (2) and (3) of Article 87A of the Income Tax (Jersey) Law 1961,<sup>9</sup> as amended, there shall be substituted the following paragraphs –

“(2) Notwithstanding paragraph (1) of this Article, a payment made to any person, with the exception of a payment to a charity, shall be treated for all the purposes of this Law as the payer’s income and that income shall be computed without any deduction being made on account of the payment and the payment shall not form part of the income of the person to whom it is made or of any other person.

(3) For the purposes of this Article, ‘charity’ means a body of persons, or trust, the income from the property of which is exempt from income tax by virtue of sub-paragraph (a), (aa), (ab) or (c) of Article 115 of this Law.”.

## ARTICLE 10

This Part of this Law shall be deemed to have effect in relation to any deed of covenant executed on or after the sixth day of December 1994.

<sup>9</sup> Volume 1992–1993, page 40.



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*PART VII*

AMENDMENT OF INCOME TAX LAW IN RESPECT OF  
DONATIONS TO CHARITY

ARTICLE 11

In sub-paragraph (f) of paragraph (1) of Article 87B of the Income Tax (Jersey) Law 1961,<sup>10</sup> as amended, for the words “five hundred pounds” there shall be substituted the words “two hundred and fifty pounds”.

ARTICLE 12

This Part of this Law shall have effect for the year nineteen hundred and ninety-five and ensuing years.

*PART VIII*

AMENDMENT OF INCOME TAX LAW IN RESPECT OF TAX  
CREDITS

ARTICLE 13

In paragraph (5) of Article 112 of the Income Tax (Jersey) Law 1961,<sup>11</sup> as amended, for the words “payable by him under the provisions of Article 104 of this Law” there shall be substituted the words “which he is entitled to charge against any other person or to deduct, retain or satisfy out of any payment which he is liable to make to any other person”.

ARTICLE 14

This Part of this Law shall have effect for the year nineteen hundred and ninety-four and ensuing years.

<sup>10</sup> Volume 1992–1993, page 40.

<sup>11</sup> Volume 1961–1962, page 268.

*PART IX*

## AMENDMENT OF INCOME TAX LAW IN RESPECT OF ANNUITY CONTRACTS

## ARTICLE 15

In Article 131B of the Income Tax (Jersey) Law 1961,<sup>12</sup> as amended –

- (a) in paragraph (1) after the definition of “annuity contract” there shall be inserted the following definition –

“(aa) ‘authorised insurance company’ means a person authorised under Article 3 of the Insurance Business (Jersey) Law 1983<sup>13</sup> or registered, or exempted from registration, under section 11 or section 8 respectively of the Insurance Business (Guernsey) Law 1986 carrying on business through a branch or agency in the Island or in Guernsey;”;

- (b) in paragraph (3) –

(i) in sub-paragraph (a) for all the words after “with a company” to the end of the sub-paragraph there shall be substituted the words “to which this Article applies”,

(ii) in clause (vi) of sub-paragraph (b) for the words “nine thousand pounds” there shall be substituted the words “twelve thousand pounds”;

- (c) in sub-paragraph (g) of paragraph (4) for the words “which falls within the provisions of sub-paragraph (a) of paragraph (3) of this Article”, there shall be substituted the words “to which this Article applies”;

<sup>12</sup> Volume 1986–1987, page 299, Volume 1988–1989, page 388, and Volume 1990–1991, page 104.

<sup>13</sup> Volume 1982–1983, page 71, Volume 1984–1985, page 135, and Volume 1990–1991, page 1090.

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- (d) after paragraph (7) there shall be inserted the following paragraph –

“(7A) Any annuity must be payable by an authorised insurance company carrying on in the Island or in Guernsey the business of granting annuities on human life.”;

- (e) after paragraph (9) there shall be inserted the following paragraph –

“(9A) This Article applies to a company carrying on in the Island or in Guernsey the business of granting annuities on human life being –

- (a) a company resident in the Island;
- (b) an authorised insurance company; or
- (c) a person or institution specified in subsection (1) of section 632 of the Income and Corporation Taxes Act 1988 (of the United Kingdom) carrying on business through a branch or agency in the Island or in Guernsey.”.

## ARTICLE 16

This Part of this Law shall have effect for the year nineteen hundred and ninety-five and ensuing years.

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*PART X*

AMENDMENT OF INCOME TAX LAW IN RESPECT OF  
PURCHASED LIFE ANNUITIES

ARTICLE 17

After sub-paragraph (b) of paragraph (7) of Article 132 of the Income Tax (Jersey) Law 1961,<sup>14</sup> as amended, there shall be inserted the following sub-paragraph –

“(ba)to any annuity where the whole or part of the consideration for the grant of the annuity consisted of sums satisfying the conditions for relief from tax under Article 131B of this Law (which gives relief for certain annuity contract premiums); or”.

ARTICLE 18

This Part of this Law shall have effect for the year nineteen hundred and ninety-four and ensuing years.

*PART XI*

INCREASE OF FEE UNDER THE BANKING BUSINESS (JERSEY)  
LAW 1991

ARTICLE 19

In paragraph (1) of Article 8 of the Banking Business (Jersey) Law 1991,<sup>15</sup> as amended, for the words “seven thousand five hundred pounds” there shall be substituted the words “nine thousand pounds”.

<sup>14</sup> Volume 1961–1962, page 290.

<sup>15</sup> Volume 1990–1991, page 495.

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## ARTICLE 20

This Part of this Law shall have effect with respect to applications for registration made after the thirty-first day of January 1995.

*PART XII*

## AMENDMENT OF TOBACCO DUTY LAW

## ARTICLE 21

In Article 1 of the “Loi (1937) sur la perception d’un impôt sur le tabac”, as amended<sup>16</sup> –

- (a) in sub-paragraphs (a), (b) and (c) of the first paragraph for the expressions “£28.70”, “£30.04”, “£31.05”, “£38.82” and “£32.99” there shall be substituted the expressions “£31.14”, “£32.59”, “£33.69”, “£42.12” and “£35.79” respectively;
- (b) in the second paragraph for the expression “£28.70” there shall be substituted the expression “£31.14”.

## ARTICLE 22

This Part of this Law shall be deemed to have come into force at 11.59 p.m. on the sixth day of December 1994.

<sup>16</sup> Tome VII, page 213, Volume 1979–1981, page 394, Volume 1990–1991, pages 107 and 108, Volume 1992–1993, page 44, P.190/94, and Volume 1994–1995, page 237.

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*PART XIII*

AMENDMENT OF OILS AND SPIRITS DUTY LAW

ARTICLE 23

In Article 2 of the “Loi (1940) autorisant la perception d’un impôt sur certaines huiles et essences”, as amended,<sup>17</sup> for the expressions “£6.21”, “£9.95” and “£7.14” there shall be substituted the expressions “£7.21”, “£10.20” and “£7.32” respectively.

ARTICLE 24

This Part of this Law shall be deemed to have come into force at 11.59 p.m. on the sixth day of December 1994.

*PART XIV*

SHORT TITLE

ARTICLE 25

This Law may be cited as the Finance (No. 4) (Jersey) Law 1995.

**G.H.C. COPPOCK**

*Greffier of the States.*

<sup>17</sup> Tome VII, page 321, Volume 1979–1981, pages 185 and 186, Volume 1988–1989, page 509, Volume 1990–1991, page 108, and Volume 1994–1995, page 237.

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*SCHEDULE*

**(Article 1)**

**Fiscal Laws continued in force**

Import Duties (Jersey) Law 1932.<sup>18</sup>

“Loi (1937) sur la perception d’un impôt sur le tabac”.<sup>19</sup>

“Loi (1937) sur la perception d’un impôt sur la bière”.<sup>20</sup>

“Loi (1940) autorisant la perception d’un impôt sur certaines huiles et essences”.<sup>21</sup>

Revenue Duty on Oils and Spirits (Administration) (Jersey) Law 1940.<sup>22</sup>

<sup>18</sup> Tome VII, page 42.

<sup>19</sup> Tome VII, page 213, Volume 1979–1981, page 394; Volume 1990–1991, pages 107 and 108, and Volume 1992–1993, page 44.

<sup>20</sup> Tome VII, page 216, Volume 1979–1981, page 394, and Volume 1992–1993, page 44.

<sup>21</sup> Tome VII, page 320, Volume 1979–1981, pages 185 and 186. Volume 1988–1989, page 509, and Volume 1990–1991, page 108.

<sup>22</sup> Tome VII, page 323.