



The Government of Sark

**POLICY AND FINANCE COMMITTEE and
TAXATION REVIEW (SPECIAL) COMMITTEE**

**A COMMITTEE OF THE CHIEF PLEAS OF SARK
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Sark Tax Reform – Initial Proposals: Information Sheet - January 2026

The Policy & Finance and Special Tax Committees have been looking at various ways to overhaul the current tax system on Sark. Many options have been considered and expert advice sought. We are grateful to Tony Mancini (ex KPMG) and our excellent team in the Sark Treasury and Sark Tax Assessors offices for their considerable assistance.

The Special Tax Committee carried out a public consultation in 2024 and the results from that informed the work of the committee during 2025. The results are available at <https://sarkgov.co.uk/tax-reform>. 3 of the top 6 most supported ideas involved reforms to the Personal Capital Tax and these reforms are what we are consulting on now. Other supported areas are also being worked on but will require complicated law changes and could take some time; at this stage, we are addressing the proposed reforms to Personal Capital Tax to make it fairer as these can be implemented more quickly.

A large factor in this thinking is the need to maintain a system that the Island can administer largely by itself although some 'spot checks' are proposed every year on a small sample of tax returns by a suitable professional body.

We have started a consultation process by hosting a public surgery on Saturday 10th January 2026, with further events planned for Wednesday 28th January and Saturday 14th February 2026. This paper sets out the existing system and some of the committees' current thoughts on how it might change. Please come to the surgeries to begin discussing this with us.

Understanding Sark's Current Tax System

Sark's direct taxation is governed by the Direct Taxes (Sark) Law, 2002. There are two principal forms of tax:

Property Tax

- Based on the size and type of property, measured in Quarters as recorded by the Cadastre.
- Rates vary depending on use (domestic, commercial, agricultural).
- Paid annually, generally by the Possessor of the property.

Personal Capital Tax (PCT)

Payable by all residents who spend 90 or more nights on Sark in the preceding year. Residents may currently elect from several options:

- Minimum Tax – available to non-Possessors or those whose worldwide assets fall below the Minimum Asset Rate.
- Asset Declaration – tax based on a percentage of worldwide net assets, not including your personal residence in Sark.
- Maximum Tax – a capped annual contribution which also means the payer does not need to declare their assets.
- Exemptions – for those medically unable to work or whose worldwide assets fall below the Minimum Asset Rate.

At present, there are several options to reduce tax liability or to avoid declaring assets; these include:

- Forfait – available to Possessors of a personal residence. This is a multiple of your property tax and also means that you do not have to declare your assets.
- Box 2 – electing to pay the Minimum Tax in a household where the Possessor has elected to pay the Forfait.
- Box 6 – with net assets falling below the Minimum Asset rate, aged under 69 and the possessor of a property that is the principal dwelling house, thereby exempt.
- Box 7 – As a Possessor living outside of Sark where their property was not available to them for 90 nights or more during the preceding 12 months, thereby exempt.

This structure allows residents to choose the option which minimises their liability, regardless of ability to pay. For example: a resident with £25 million in assets could currently pay the same Forfait amount as a resident with £250,000. Under the proposed system, a higher level of assets would attract a higher contribution in line with the ability to pay.

Tax Data: 2023–2025 Overview

Tax Box Analysis	2025		2024		2023	
	Payers	Amount	Payers	Amount	Payers	Amount
Total property tax	379	599,190.02	373	571,648.43	370	541,201.40
Personal capital tax						
OPTION 1 - Forfait	154	424,352.37	157	354,973.65	151	322,700.00
OPTION 2 - Member of a forfait paying household	93	51,057.00	99	51,975.00	99	49,500.00
OPTION 3 - Declaration of assets	34	40,659.16	26	31,499.45	28	28,588.13
OPTION 4 - Minimum tax	169	92,781.00	148	77,700.00	138	69,000.00
OPTION 5 - Maximum tax	1	10,973.00	0	0.00	0	0.00
OPTION 6 - Possessor of property with assets less than £125k	108	0.00	114	0.00	108	0.00
OPTION 7 - Property not available	7	0.00	6	0.00	10	0.00
OPTION 8 - over 69/cant work, assets less than £150K	61	0.00	62	0.00	61	0.00
LESS 2.5% discount		(22,272.68)		(17,601.98)		(15,832.21)
ADD Formal Assessment penalties		2,820.62		2,068.35		2,073.80
	627	600,370.47	612	500,614.47	595	456,029.72
Total Tax due		1,199,560.49		1,072,262.90		997,231.12

Key Observations:

- The majority of PCT revenue in 2025 came from Forfait payers (£424,352), with an additional £51,057 from members of their households.
- Only 34 residents declared assets in the same period (~£40,659).
- Maximum taxpayers contributed ~£10,973, with only one resident electing that option in 2025.
- Most residents elect the lowest-cost option available to them.

Proposal: Reforming the PCT system to remove the link to property

- Sark currently allows residents to choose the lowest-cost Personal Capital Tax (PCT) option available to them, meaning their personal assets are not necessarily fully taxed.
- Sark faces growing infrastructure and service costs that cannot be met under the existing system.
- A proposal is being explored to transition away from the Forfait to an entirely asset-based system of Personal Capital Tax.
- This would not be an income tax. It would be an annual charge based on an assessment of worldwide net assets that is already an option under the current system.
- There would be an option where people could select not to declare their assets and opt to pay a fixed amount of PCT.
- The aim is a system that is fairer, sustainable and fit for Sark's future.

Under this model:

- All residents aged 18+ who meet the 90-night residency rule would pay PCT according to the asset band into which they fall; this could be based on fixed sums per asset band or a percentage (also in bands) of their overall asset declaration.
- There would still be no income tax. The charge would remain an annual asset-based PCT only.
- Residents would complete a confidential annual self-assessment.
- Self-assessment forms will be assessed by the Tax Assessor as normal, and each year a selection will be audited by a third-party professional body.

Why change?

In the most recent public consultation, there was strong support to modernise the current system.

Fairness - The current system allows residents with a high level of assets to potentially pay the same as those with a modest level of assets: removing the Forfait might better align the level of contributions with ability to pay.

Sustainability - In 2025, the 154 Forfait payers and the 93 members of their households contributed £475,409 to the Treasury while 34 residents who declared assets raised just £40,659. This suggests that, for whatever reason, be it to select a lower tax amount or not wishing to declare assets, a very large percentage of taxpayers are opting for a PCT option which is not linked to their worldwide assets. This base cannot support Sark's growing infrastructure needs.

Modernisation - A banded asset-based model does not divert too much away from the current system while preserving Sark's distinctive tax identity.

What Is Being Considered

This review concentrates on reforming the Personal Capital Tax system including:

- **Removing the Forfait** - to remove the link between the size of property and the PCT.
- **Removing Box 2 and Box 6** - From 2027, Box 2 (minimum tax for members of a Forfait household) and Box 6 (exemption for Possessors with assets below the Minimum Asset Rate) are proposed to be removed. This would close long-standing loopholes that allow residents to minimise contributions in ways not linked to their actual asset position.
- **Option to Pay the Maximum Will Remain** - For residents who do not wish to declare their worldwide assets, the option to pay the maximum PCT will remain available under the proposed system.
- **Self-Assessment Will Continue** - The proposed reforms retain the existing self-assessment model, with the addition of proportionate annual spot-checks carried out by an external professional body.

What Is Not Being Considered

As part of this review, several ideas have been raised publicly or informally. To avoid uncertainty, the Committees wish to make clear what is not under consideration:

- **No Fiscal Union with Guernsey** - There is no proposal to enter into a fiscal union or shared tax system with Guernsey. Sark will continue to operate its own independent tax regime.
- **No Income Tax** - Income tax is not being considered at this stage. Sark's demographic profile includes a significantly higher proportion of older residents compared with working-age earners. Introducing an income tax would create a substantial administrative burden while likely generating insufficient revenue to meet the Island's financial needs.
- **No Tax Residency Scheme** - Following professional advice, the Committees are not pursuing a tax residency scheme.

Timeframe for Change

It may be possible, and sensible, to implement some minor changes for 2027. Any wider changes to the PCT system are highly unlikely to be implemented before 2028 though. No tax changes can be applied retrospectively.

Why Sark needs a stronger tax base

Sark is entering a period of major capital investment. Much of the Island's infrastructure was built decades ago and now requires urgent renewal to remain safe, functional and compliant with modern standards. Preliminary estimates indicate that the capital and service pressures will exceed current tax revenues by several hundreds of thousands of pounds each year; without reform, Sark will struggle to meet these obligations safely and sustainably.

Key infrastructure priorities:

Major Projects	Ongoing Services
La Coupée stabilisation	Healthcare: Medical staffing and emergency services
Harbour rockfall repairs	Education: Hybrid schooling model
Sewage treatment facilities	Public Works: Maintenance and essential services
Refuse disposal system	Connectivity: Strengthening existing transport links
Roads, cliff paths, public toilets, and Island properties	
Approved ports status investigation to allow direct ferry sailings from France	

Your opportunity to shape Sark's future

Conseillers' surgeries will be held so residents can ask questions, raise concerns and suggest improvements to the proposals.

- 17.00 – 19.00, Wednesday 28th January 2026 – Mermaid Tavern
- 10.00 – 12.00, Saturday 14th February 2026 – Island Hall

All residents are encouraged to attend. If you are unable to come in person, you can submit comments or questions by email: policy.finance@sarkgov.co.uk and taxation@sarkgov.co.uk

This reform will shape Sark's finances for decades to come. Your views will help create a fair system that protects our Island for future generations.

January 1st 2026

TAX DECLARATION FORM 2026

OFFICIAL USE ONLY

PAID IN FULL ONLINE	
PAID IN FULL BY CHEQUE	
QUARTERLY	
MONTHLY	

YOUR TAX NUMBER (TIN):

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YOUR PROPERTY QUARTERS

QUARTER TYPE:	Qtrs	Rate	Amount due
Personal domestic dwelling		£19.40	
Tourist & Commercial		£22.00	
All other registered quarters		£19.40	
TOTAL REGISTERED QUARTERS			

PROPERTY TAX

P	As the Possessor, I pay the Property Tax (Total Registered Quarters x the applicable Quarter Rates)	
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PERSONAL CAPITAL TAX**SELECT ONLY ONE OPTION FROM THE LIST BELOW**

1)	I elect to pay the Forfait - Personal Dwelling Quarters x Quarter Rate (£19.40) x Forfait Factor (3.3)	£									
2)	As a member of a household where the Possessor has elected to pay the Forfait, I elect to pay the minimum tax of £630.00	£									
3)	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">I elect to declare my worldwide assets:-</td> <td>Total worldwide assets: _____</td> <td></td> </tr> <tr> <td></td> <td>Less allowable liabilities: _____</td> <td></td> </tr> <tr> <td></td> <td>Total net assets: _____ x 0.51% =</td> <td style="text-align: center;">£</td> </tr> </table>	I elect to declare my worldwide assets:-	Total worldwide assets: _____			Less allowable liabilities: _____			Total net assets: _____ x 0.51% =	£	
I elect to declare my worldwide assets:-	Total worldwide assets: _____										
	Less allowable liabilities: _____										
	Total net assets: _____ x 0.51% =	£									
4)	My assets are below the Minimum Asset Rate of £125,000.00, so I elect to pay the Minimum Tax of £630.00										
5)	I elect to pay the Maximum Tax of £12,619.00	£									
6)	My net capital assets are less than the Minimum Asset Rate of £125,000.00, I am aged under 69 on December 31 st 2025 and I am the possessor of the above mentioned property and this is my principal dwelling. Therefore I am not liable for Personal Capital Tax.	Please tick									
7)	As a Possessor living outside of Sark, I declare that my accommodation was not available to me for 90 nights or more during the preceding 12 months, therefore my P.C.T is Zero	Please tick									
8)	a) My net capital assets are £150,000.00 or less, and I am aged 69 or over on 31 st December 2025, OR b) I hold a Medical Certificate stating that I am permanently unfit for gainful employment. Therefore my P.C.T is Zero	Please tick									

Sub Total (Property Tax + Personal Capital Tax)

£

Discount of 2.5% if paying in full on or before the 28th January 2026 (enter discount amount here)

£

TOTAL DECLARED TAX

£

Declaration and payment options overleaf...

PAYMENT OPTIONS – select one ONLY**TICK ONE BOX**

A	I elect to pay my total Declared Tax in full by online transfer	
B	I elect to pay my total Declared Tax in full by cheque	
C	I elect to pay my total Declared Tax by 4 quarterly installments, on or before 28 th January, 28 th April, 28 th July and 28 th October - I enclose a copy of the Standing Order Mandate.	
D	I elect to pay my total Declared Tax by 9 monthly installments, commencing 28 th January, and on the 28 th of each month thereafter - I enclose a copy of the Standing Order Mandate.	

PAYMENT DETAILS – for online transfers and standing orders. Use your TIN or surname as the reference

Bank: **NatWest Bank, PO Box**
Account name: **IOS Tax Collection Account**
Sort code: **60-09-20**
Account number: **74038427**
IBAN number: **GB15 NWBK 6009 2074 0384 27**
BIC (swift) code: **RBOSGGSX**

Please make cheques payable to “IOS Tax Collection Account”**DECLARATION**

I declare that the details listed on this Declaration Form are a true statement of my Tax Liabilities to the Island of Sark for this current year ending 31st December.

I am aware that under the Direct Taxes (Sark), Law 2002, it is an offence to knowingly make a false, misleading or incomplete statement, or recklessly make a statement which is false or incomplete in any material form.

If paying by quarterly or monthly installments, I enclose a copy of the Standing Order Mandate.

I understand the Tax Assessor and Treasurer may use and share this information with Chief Pleas, if necessary and required by law. View our Fair Processing Notice online at <https://sarkgov.co.uk/data-protection>

Signed: _____

Date: _____

Email address: _____

YOU MUST RETURN THIS FORM TO THE ADDRESS OVERLEAF BY 28TH JANUARY 2026 AT THE LATEST

- Failure to honor your Deferred Payment date will result in the Treasurer claiming the full balance within 28 days.
- Failure to submit your Tax by the 28th January will incur a Formal Assessment being issued under Section 14 of the Law. This will include a Fixed Penalty not exceeding 100% of that Assessment plus a Monthly Penalty not exceeding 5% of the whole under Section 16 (a) and (b) of the Law. The Fixed Penalty only may be deducted if Tax is paid in full by the 28th February.
- The Monthly Penalty will be added on the first day of every Calendar Month thereafter until final settlement.
- All Taxes that are unpaid by the 28th February, will result in a Summons being issued by the Treasurer, under Section 11 (6) of the Law, for recovery through the Seneschal’s Court as a Civil Debt to Chief Pleas. This will include the Fixed Penalty and Accrued Monthly Penalties, plus Costs and Court Fees.
- Anyone claiming to have net assets below the minimum asset value and tendering only the minimum Personal Capital Tax may be required to produce verified documentation and/or information under Section 15 (1) of The Law.
- Completing this Tax Declaration Form does not register you to vote. Registering to vote is a separate process, for which you need to meet eligibility requirements. Please contact the Greffier for requirements and the Registration Form.