**Taxation Consultation with the Residents of Sark**

**Responses**

**#811**

**(A) Current Tax System – Score Rating 3 – Neutral**

 Is any tax system fair and equitable? NO it is an impossibility. Have tried for years to think of the perfect system. In England prior to VAT the basis was income tax which did try to make it fair by including earned and unearned income but unfortunately there were too many loopholes so accountants made a lot of money. The rich benefited and the poor remained poor. Income tax is a very expensive method of taxation but does collect a lot of dues. The government of the day needing more introduced Value Added Tax which is easier but still complicated to collect, most of the clerical work being carried out by the payee! Again loopholes but easier to spot and close. Sarks system is easy to administer and thus cheap to collect.

**(B) Personal Capital Tax – Forfait – Score Rating 5 – Strongly Agree**.

To an extent as above. It is of curse self-administering and naturally dependent upon the honesty of the individual. Certainly the loophole must be closed; it is similar to MPs claiming that much of their home is office space by installing a computer!

**(C) 91st Day Personal Capital Tax – Score Rating 5 - Strongly Agree**

Yes, but definitely earlier, say, after the first calendar month.

**(D) Personal Capital Tax – Score Rating 5 – Strongly Agree**

This could be difficult to change and enforce but certainly anyone in employment and thus earning should pay and thus contribute something to the finances of the island since they benefit from it.

**(E) Seasonal Workers – Score Rating 3 – Neutral**

Yes, will probably require legislation and possibly difficult to administer and possibly to collect.

**(F) Personal Capital Tax Related to Duration of Residency on Sark – Score Rating 5 – Strongly Agree**

I feel that any person declaring that they are resident on Sark should be assumed to be resident and/or partially resident should pay the whole of their Personal Capital Tax. After all they are entitled to all the island services at any time of year, if they decide to spend time in warmer climes for the winter they can afford the full Personal Tax, it is not onerous!

**(G) Derelict Houses – Score Rating 5 – Strongly Agree**

These are an eyesore (not confined to Sark) definitely some pressure needs to be exerted to make the owners do something. Taxing would probably need legislation and where owners are off island difficult to enforce; or could it be said you own this property therefore you could live in it or rent it out therefore PAY OR SELL.

**(H) Property Transfer Tax – Score Rating 5 – Strongly Agree**

Yes, but only as long as the 15-year restriction is continued. (Have heard murmurings that it is proposed to abolish it).

**(I) Bed Tax – Score Rating 4 – Agree**

The bed and plate tax are similar in effect. Would bring in some extra revenue but might be difficult to administer and there could be a deleterious effect on businesses and tourism.

**(J) Plate Tax – Score Rating 1 – Strongly Disagree**

As **(I)** above.

**(K) Ring Fenced Taxation** **– Score Rating 3 – Neutral**

To a limited extent, yes, for education and emergency services and medical care. Then cost of medical insurance for the elderly (usually retired and living on decreasing pensions.)

**(L) Sark Residency / Tax Residency Approved Scheme – Score Rating 5 – Strongly Agree**

This I feel I have covered in question **(F).**