The Government of Sark
POLICY AND FINANCE COMMITTEE
TAXATION REVIEW (SPECIAL) COMMITTEE

Securing Sark's Future

Public Finances, Infrastructure, Reserves and Tax Reform

Contents

1. Introduction

The Policy & Finance Committee and the Taxation Review (Special) Committee would like to thank Islanders for the significant time, effort and thought invested in the tax reform consultation process so far. The level of engagement has been extremely encouraging and demonstrates that Islanders care deeply about Sark's future, the sustainability of public services, and the fairness of the Island's tax system.

Since the consultation began, members of both Committees have held public tax surgeries across Sark and received a substantial number of written submissions. Those contributions have provided valuable evidence, constructive challenge and new ideas, and they have directly shaped the Committees' approach. In particular, the Committees have decided that there should be no major reforms for the 2027 tax year, and that no changes should be made to Box 6 at this stage. Instead, a more comprehensive package of reform will be developed for 2028, allowing sufficient time for the detail to be properly considered and for further public engagement to take place.

This work will include careful consideration of non-pension savings and similar arrangements which residents may reasonably have set aside for retirement, healthcare, future care needs or later life security, but which are not currently excluded in the same way as pensions. The Committees recognise the importance of ensuring that residents in this position are not unfairly disadvantaged by any future reforms. It will also ensure that those on low incomes are not disproportionately impacted, that any changes to the tax system do not make Sark an unattractive place to relocate to and that there remain options that do not require disclosure of assets.

At the same time, the need for tax reform has not changed. Sark's financial position has improved, but the Island still faces significant long-term funding pressures. Reserves remain below the level needed to provide a comfortable buffer against emergencies or major infrastructure failures. Essential works are required across areas such as La Coupée, waste disposal, sewage treatment, harbour safety, Island-owned buildings and, in due course, the replacement of Sark Shipping vessels. These are not optional. They are necessary investments in the Island's resilience, safety and sustainability.

Both Committees remain committed to listening carefully and ensuring that final proposals reflect the concerns, priorities and aspirations expressed by the community.

Policy & Finance Committee

Taxation Review (Special) Committee

2. Summary

Following consideration of consultation feedback, the Committees do not propose to bring forward major structural reforms for the 2027 tax year. The approach for 2027 is deliberately limited and targeted, reflecting concerns raised by residents regarding affordability, privacy and the need for further detailed policy development.

The position for 2027

Area	2027 position	Rationale
Box 2	Retained, but limited to one claimant per household.	Provides a proportionate restriction while retaining the relief itself.
Box 6	No changes proposed.	Allows any future decision to be considered as part of the wider 2028 reform package.
Forfait	A minimum threshold will be introduced.	Supports fairness and confidence in the system by ensuring a minimum contribution.
Wider reform	No major structural reforms proposed.	Allows additional time for analysis, consultation and policy development.

These proposals reflect the feedback received during consultation, including concerns regarding affordability and privacy, and the need to allow sufficient time for any wider changes to be developed carefully and transparently.

The approach for 2028

Further work will be undertaken to develop a comprehensive package of reforms for 2028. That work will be guided by the following objectives:

- To reflect ability to contribute more fairly.
- To consider the treatment of retirement savings, non-pension savings and similar arrangements set aside for later-life security, healthcare or future care needs.
- To retain options that do not require disclosure of assets.
- To ensure that Sark remains attractive to residents and newcomers.

3. Sark's Finances Today

The cost of operating government and delivering public services has increased significantly since 2020. The overall Chief Pleas expenditure budget has increased from £1.587 million in 2020 to £2.503 million in 2026, representing a nominal (i.e. not adjusted for inflation) increase of 57.7%. During the same period Guernsey RPI increased by approximately 31.7%.

This increase reflects a combination of:

- Inflationary pressures.
- New statutory and operational responsibilities.
- Increased service expectations.
- Investment in resilience and public services.

Major Service Areas

Committee	2020	2026	Change (not adjusted for inflation)	Key changes
Agriculture, Environment & Sea Fisheries	£23,000	£32,000	+39%	Abattoir, subsidy, hornet response and fisheries.
Douzaine / Public Works	£436,000	£803,000	+84%	Salaried policing, waste, sewage and La Coupée.
Education	£235,000	£322,000	+37%	Funded off-island education.
Harbours, Shipping & Pilotage	£95,000	£102,000	+7%	Crane and safety works.
Medical & Emergency Services	£89,000	£321,000	+261%	Resident GP, 24/7 cover and safeguarding.
Policy & Finance	£582,000	£822,000	+41%	Professional civil service and governance costs, RPI- linked Seigneurial stipend.

4. Why Spending Has Increased

Inflation and External Costs

Many government costs have increased faster than household inflation, including:

- Insurance.
- Energy.
- Professional services.
- Construction and maintenance costs.

Government spending patterns differ from those of households, meaning RPI does not always reflect the inflationary pressures faced by public bodies.

Improved Public Services

Sark now provides services that either did not exist or were delivered on a more limited basis in 2020, including:

- Expanded medical cover.
- Professional safeguarding services.
- Funding off-island education.
- Additional support for parishioners through the Procureur;

Strategic Policy Decisions

Chief Pleas has also adopted a number of initiatives intended to improve resilience and service provision, including:

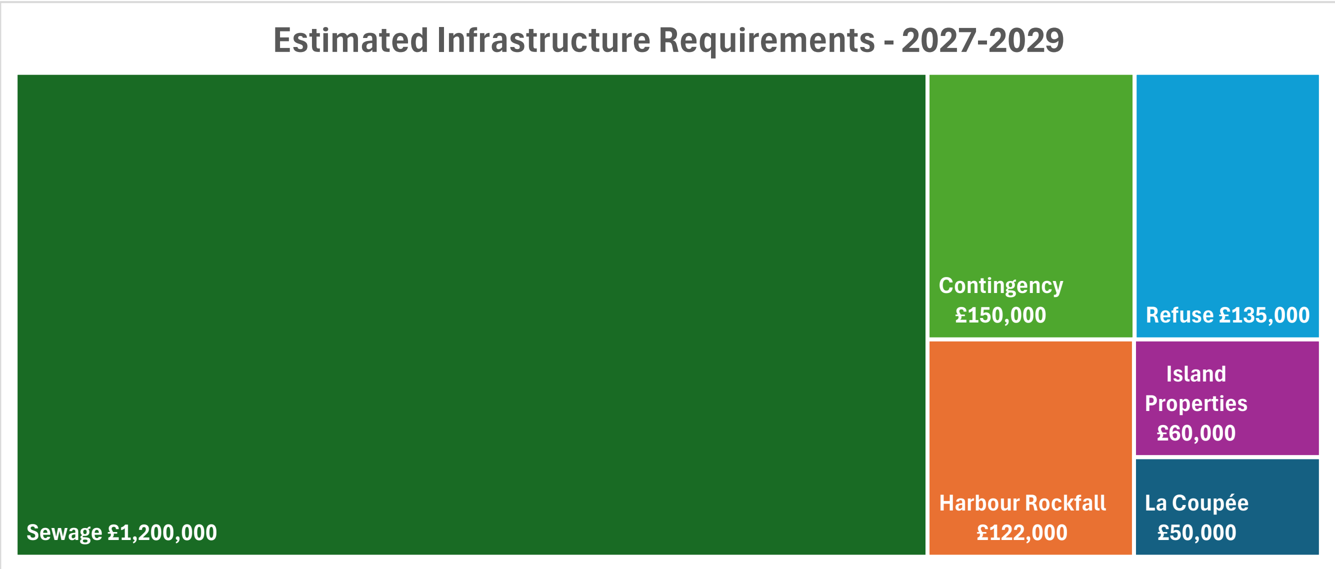
- Construction of the abattoir;
- Investment in public infrastructure and safety works.

Alongside increasing operating costs, Sark also faces significant future infrastructure and capital investment requirements.

5. Infrastructure Investment

The Island faces a number of significant infrastructure funding requirements. These include future investment in rubbish management infrastructure including a fit for purpose incinerator, safety works to the cliffs at the Harbour Quarry, a new and better sewage treatment works, further works to La Coupée, and, in due course, replacement vessels for Sark Shipping. These are not optional projects that can simply be ignored indefinitely. They are essential investments in the Island's future resilience and sustainability. The recent damage to La Coupée has clearly demonstrated that Sark also needs additional contingency funds. This will ensure we can swiftly respond to any unexpected infrastructure challenges, protecting the Island's resilience and safeguarding essential services for the community.

The total Island works budget approved by Chief Pleas for 2026 is £349,000, including £152,000 for La Coupée. Excluding the substantial cost of a new sewage treatment facility, over the next three years Chief Pleas needs to raise at least an additional £500,000 to cover ongoing infrastructure costs, essential capital investment, and contingency funds.



La Coupée

As well as being an iconic image associated with Sark, La Coupée is an essential infrastructure link. Without La Coupée permanent habitation of Little Sark would become quickly unviable. Any alternative, such as a new harbour or artificial bridge, would be prohibitively expensive. As such, ensuring the structural integrity of La Coupée must be an Island priority. Over the past 12 months there have been repeated instances of rockfall and significant erosion. Emergency structural work has been undertaken as well as planned work in 2026. This has demonstrated the importance of taking a proactive approach in future years.

In 2026 £152,000 has been budgeted for structural works. It is estimated at least £50,000 will be required for additional remedial work in 2027. This cost is likely to rise further as assessments this year are completed and as the current forecast assumes no additional structural damage over this period. Chief Pleas will also consider developing contingency plans in the event that La Coupée becomes unpassable for an extended period.

Rubbish disposal

Sark's non-recyclable waste was previously incinerated, however is it now burnt in open pits. This was initially done at the harbour but has since moved to Les Laches due to rockfall. Open-pit burning is one of the most harmful waste-disposal practices. It releases large volumes of toxic pollutants directly into the air, soil, and surrounding ecosystems. The uncontrolled combustion produces greenhouse gases, particulate matter, and hazardous chemicals that degrade air quality and contaminate land and water. From a health perspective, Island workers and others exposed to the smoke face increased risks of respiratory illnesses, heart disease, and long-term complications due to carcinogenic compounds released during burning. Open-pit burning also undermines tourism by creating unpleasant odours and visible smoke plumes.

It will only be possible to move away from open-pit burning through the purchase of a new incinerator. An air-curtain incinerator similar to that operated by Alderney would cost approximately £120,000, including installation, with additional running costs on top of that. An incinerator would increase burn efficiency and increase the rate at which waste is burnt. It would also significantly reduce the release of smoke, ash and harmful pollutants, meaning Island workers and the public would be less exposed to dangerous compounds. From a tourism perspective, it would significantly reduce the odours and visible smoke.

Sewage

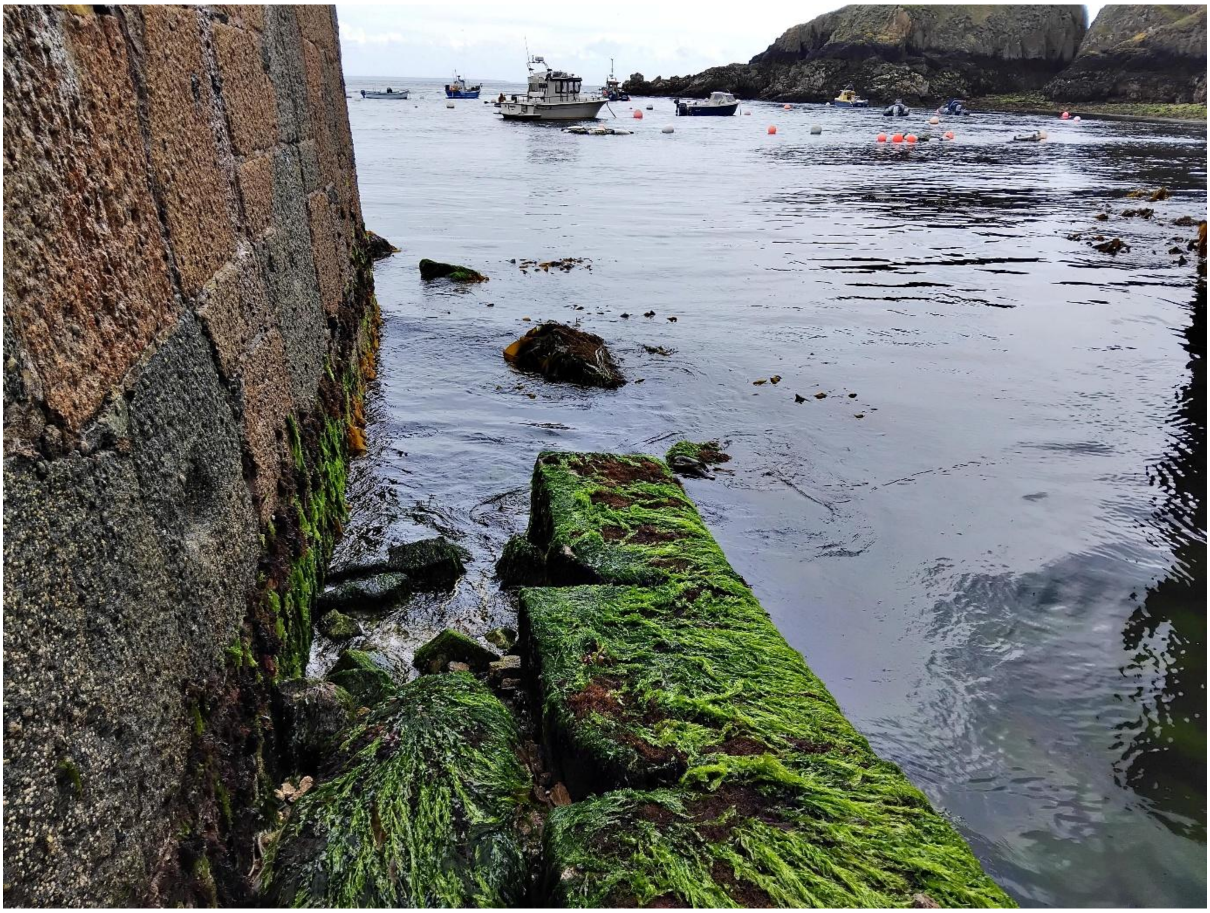
Sark needs to move away from the present discharge of untreated waste and put in place a modern sewage system that can operate reliably throughout the year, including during the busier summer months. The priority is to improve the current discharge arrangements so that solid waste is properly removed, reducing the immediate environmental, health and visual impact. Beyond that, a secondary treatment plant would ensure that clean effluent can be discharged into the sea. Overall, the Island will need a central treatment facility capable of dealing with the waste collected from across Sark before it is released back into the sea. Taken together, these works would represent a major but necessary investment. A preliminary estimate is that this could cost in the region of £1,000,000 to £1,400,000. Over the longer term, further local or shared treatment systems may also be needed to reduce the number of tanker journeys and lessen pressure on the central site.

Harbour Rockfall and Erosion

There have been multiple incidents of rockfall and erosion at the harbours in recent years. The harbour quarry is essential for public works operations, however the current state of the cliff face presents an unacceptable risk to Island workers and a significant rockfall could make the area unusable. Similarly, rockfall at the Creux Harbour has caused damage to several sheds and the chances of further rockfall across the harbour sites is highly likely. As an initial step, urgent remedial work at the harbour quarry would cost approximately £122,000. This would also have to be completed before incinerator operations resumed at the site.

There are also other important projects, such as essential maintenance to Creux and Maseline Harbours, which have not yet been fully costed but will require attention. In recent years, the apron of the Creux Harbour pier has been allowed to deteriorate gradually into the sea. Had additional funding been available, this non-structural element of the historic harbour might have been preserved; however, it was assessed as non-essential, and the cost-benefit case did not justify the expenditure.

Undermining of the Maseline Harbour Quayside



Collapse of the Creux Harbour Apron

Island properties

The Island owns a number of properties, many of which require significant maintenance and repair. The Island cannot expect residents to maintain their properties if it cannot manage its own properties to a modern, safe standard. The Old Island Hall is of particular concern. Built in 1928, it is in need of considerable repair work to ensure it survives to its centenary. Work is also required on Island-owned buildings at the harbour, the current state of which also has an impact on tourism, and on the Court/Assembly Rooms. These works will cost at least £60,000 in total.

Other projects

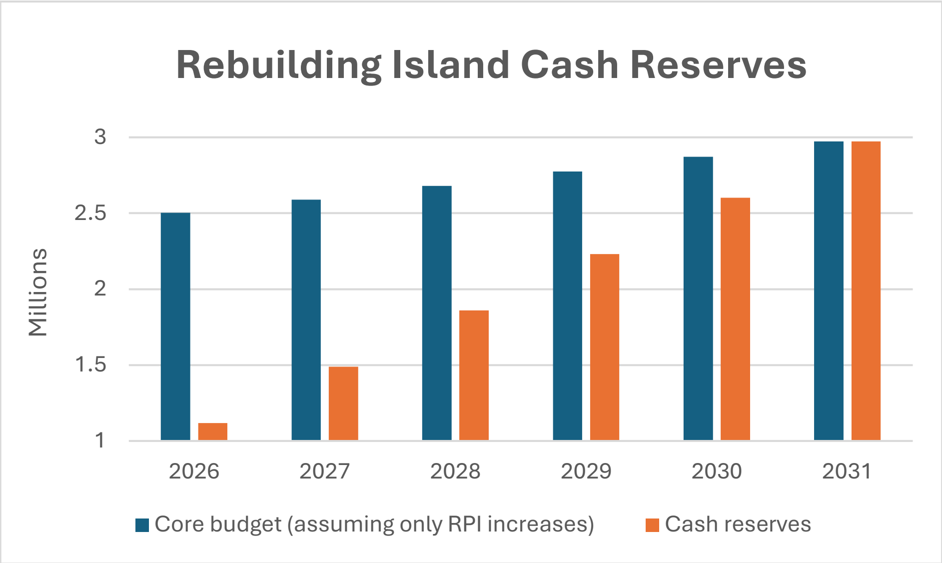
There are other areas of infrastructure that merit greater investment. Sark's dedicated ambulance crews and first aid responders need, and deserve, a proper operational base that reflects the importance of the service they provide to the community. The current reliance on the Old Hall is increasingly difficult to justify: the building is well past its expected useful life and is no longer an appropriate long-term facility for such an essential public service.

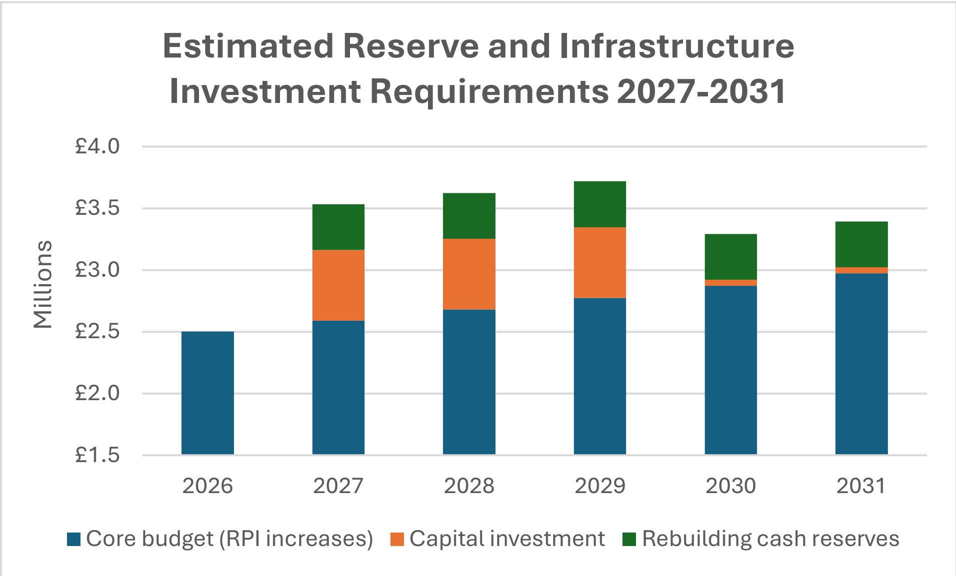
Rebuilding Island reserves

We need to make a start on rebuilding the Island's cash reserves to secure Sark's financial sustainability over the longer term. Sufficient reserve funds would allow Sark's future to remain in its own hands; ensuring we and future generations have a choice over the direction of our Island while remaining resilient to any unexpected shocks. The Island's current cash reserves are £1.1m, which would only just cover less than six months expenditure. The Island should aim to have at the very least one year's expenditure in cash reserves to secure Sark's financial position and ensure long term resilience. Over a five-year time frame, accounting for annual RPI increases to the budget, this would mean Chief Pleas raising an additional £380,000 per year.

Housing is a particular concern for younger residents and families wishing to remain on, or return to, Sark. In a small community with a limited housing market, access to finance can often be as significant a challenge as access to housing itself. Stronger reserves would provide future Chief Pleas with greater flexibility to consider initiatives such as guarantee schemes or other similar arrangements. For example, a defined pot of reserves could potentially be used to underwrite or partially guarantee lending for eligible local housing projects or purchases, giving banks greater confidence to lend where they might otherwise consider the market too small or unusual. Any such scheme would require careful design and proper safeguards, but stronger reserves would make it easier for the Island to explore practical arrangements like this that would support local housing provision and sustainable community growth.

Healthcare presents a similar challenge. Private medical insurance has become increasingly expensive and, in some cases, difficult to obtain. A number of residents may have limited insurance coverage or none at all. This creates uncertainty both for individuals and for the Island as a whole. Maintaining a stronger financial position would give future governments greater flexibility to consider alternative arrangements and respond to changing healthcare needs.





Isle of Sark Shipping

Isle of Sark Shipping (IOSS) currently has three vessels: the Sark Venture; the Sark Viking; and the Corsaire de Sercq. This is the minimum number of vessels needed to maintain a year-round lifeline passenger and cargo service, allowing for essential maintenance and refit periods. Although all vessels continue to operate effectively, the Venture is now over 40 years old and already beyond the usual lifespan for vessels of that type. Its replacement will represent a major capital commitment for Sark, involving a level of expenditure that would be very difficult to absorb within ordinary annual budgets. In the coming years a replacement will be essential and, as the sole shareholder of IOSS, Sark needs to be prepared and able to fund, or at least make a substantial contribution towards, that replacement

6. Tax Reform – What Changed Following Public Consultation

Original Discussion	Current Position
Significant 2027 reforms	Deferred to 2028
Box 6 review	No changes proposed
Limited consideration of savings concerns	Further review of protections
Faster implementation timetable	Additional consultation period

The original consultation proposals were intended to start a conversation rather than represent final policy and the feedback received has highlighted a number of areas requiring further consideration. The Policy & Finance Committee and the Taxation Review (Special) Committee would like to thank islanders for the considerable time, effort and thought that has been invested in the consultation process to date.

Residents raised concerns about affordability, privacy, retirement savings, inward migration, maintaining Sark's competitiveness, and the potential unintended consequences of reform. Those concerns have been carefully considered and have led the Committees to adopt a more cautious and measured approach.

As a result, the Committees have concluded that there should be no major structural reforms to the tax system in 2027. No changes are proposed to Box 6, while wider reforms have been deferred to allow additional analysis, engagement and policy development. This approach reflects the clear message received during consultation that any significant reform should be developed carefully, transparently and with sufficient time for meaningful public input. The Committees remain committed to ensuring that any future proposals genuinely reflect the concerns, priorities and aspirations expressed by the community.

Protecting Retirement Savings and Financial Security

One of the strongest themes emerging from the consultation has been concern regarding retirement savings and financial security in later life. Many residents have worked hard over decades to build savings as protection against future uncertainty, healthcare costs, care needs and the financial pressures that can arise in retirement.

The Committees recognise that these concerns are legitimate and must form an important part of any future reform package. Sark's population includes many residents who do not have access to large occupational pension schemes and who instead rely upon personal savings accumulated throughout their working lives. In many cases these funds represent prudence and long-term planning rather than excess wealth.

At the same time, medical insurance costs continue to increase and future care arrangements remain uncertain. Many residents have therefore chosen to maintain savings specifically to meet potential healthcare expenses, residential care costs or periods of reduced income in later life. The Committees acknowledge that treating such savings in the same way as other forms of wealth may not always produce fair outcomes.

For this reason, further work will be undertaken before any major reforms are proposed. This work will consider whether protections, thresholds, exemptions or special treatment should apply to retirement-related savings and other funds that residents have reasonably set aside for future security. The objective is to ensure that residents who have acted responsibly to provide for themselves and their families are not unfairly disadvantaged by any future changes to the taxation system. There will be a solution, and it must be reached carefully and transparently as a community.

7. Tax Reform - Targeted changes for 2027

Following consideration of the consultation responses received to date, **there will be no major structural changes to Sark's tax system for the 2027 tax year.**

The Committees believe that more time is required to consider the impacts of reform properly, assess how different measures interact with one another, and ensure that any changes support the wider objectives of fairness and proportionality. The reform process must be undertaken carefully to avoid unintended consequences and to ensure that changes do not fall disproportionately on those least able to contribute.

No Changes to Box 6

The Committees will not be proposing any changes to Box 6 for the 2027 tax year.

Feedback received during the consultation highlighted a number of concerns regarding the potential consequences of removing Box 6 in isolation. Whilst such a change may increase revenue, the Committees are not currently satisfied that it would, by itself, achieve the broader objective of creating a fairer and more progressive tax system. It is therefore considered more appropriate for any future decisions regarding Box 6 to be examined as part of the wider 2028 reform package.

Box 2 to Remain, but Restricted

The Committees have also agreed that Box 2 will not be abolished for 2027. However, the Committees will be proposing to restrict the provision to one individual per household.

The current arrangement permits multiple individuals within the same household to benefit from the provision irrespective of the household's overall financial circumstances. As the provision is not linked to income, assets or any other indicator of ability to pay, this can produce outcomes that are difficult to justify, particularly where households with substantial means are able to reduce their overall liability through multiple claims.

Limiting the provision to one individual per household represents a proportionate constraint which reduces the scope for households to benefit disproportionately whilst retaining the relief itself. This change will also help protect and enhance revenue at a time when funding public services and infrastructure remains a significant challenge.

Minimum Forfait Threshold

The Committees have further agreed to bring forward proposals for the introduction of a minimum forfait assessment based on 30 quarters.

The purpose of this change is straightforward. Under the current arrangements, it is possible for individuals with substantial means, but living in relatively small dwellings, to contribute less than the minimum level expected through the forfait system. This undermines both fairness and confidence in the tax system.

The forfait would remain an option for residents, however a minimum threshold would ensure that the forfait continues to operate as intended: as a mechanism through which residents make a fair contribution towards the cost of public services. It would help ensure that those benefiting from living in Sark contribute at an appropriate level regardless of the size of the dwelling they occupy.

The below table sets out the amount raised in 2026 via the forfait.

Quarter size	No. payers (2026)	Raised
1 to 10	1	£630.00
11 to 20	24	£24,455.28
21 to 30	28	£45,389.98
31 to 40	12	£29,257.14
41 to 50	19	£56,231.80
51 to 60	15	£52,432.38
61 to 70	15	£62,163.42
71 to 80	5	£24,391.62
81 to 90	5	£27,144.48
91 to 100	5	£29,897.34
101 to 110	5	£34,186.68
111 to 120	4	£29,191.82
121 & over	7	£63,635.88
		£479,007.82

The below table sets out estimated additional revenue at various minimum forfait rates, based on 2026 figures. The figures assume that all current forfait payers continue to use the forfait option regardless of where the minimum is set. In reality, it is likely that higher minimum rates will lead to some taxpayers switching away from the forfait, leading to lower additional revenue estimates.

Minimum	Forfait rate minimum	Additional forfait revenue
Minimum 11	£704.22	£74.22
Minimum 21	£1,344.42	£8,525.22
Minimum 31	£1,984.62	£34,709.60
Minimum 41	£2,624.82	£70,880.90
Minimum 51	£3,265.02	£118,297.48
Minimum 61	£3,905.22	£178,220.20
Minimum 71	£4,545.42	£247,617.88

8. Tax Reform - A Comprehensive Package for 2028

Beyond the limited measures for 2027 any further significant tax reforms will be developed and considered as a single, comprehensive package for implementation from the 2028 tax year.

The purpose of tax reform is not solely to increase revenue. The broader objective is to ensure that Sark has a taxation system that is:

- Sustainable.
- Reflects residents' ability to contribute.
- Fairer.
- Simple to administer.
- Capable of supporting future public services and infrastructure needs.

There are only a limited number of taxation systems that target a person's ability to contribute. These are principally taxes on income, assets, property, and expenditure. Each has advantages, but each also has drawbacks, as does every system of taxation. The task for Sark is therefore not to identify a perfect system, but to consider which approach works best for Sark, taking account of its scale, demographics, administrative capacity, and the distribution of wealth within the community.

Approach	Advantages	Challenges
Income Tax	Links tax directly to earnings and ability to pay. Familiar system used in many jurisdictions and generally well understood by taxpayers.	Administratively complex. Requires returns, assessments, compliance monitoring, appeals procedures and enforcement. May not fully reflect wealth held in assets rather than income.
Property Tax	Simple, established and relatively easy to administer. Property is visible, relatively easy to assess and difficult to avoid.	Property size and value may not accurately reflect overall wealth, income or ability to contribute. Some residents may be asset-rich but income-poor, while others may have significant wealth outside of property.
Asset-Based Tax	Better reflects overall means and accumulated wealth. Builds upon principles already present within Sark's existing tax system and can be designed to include	Valuation can be challenging. Raises concerns about privacy, disclosure requirements and the treatment of savings, investments and other assets.

	protections, thresholds and exemptions.	
Expenditure-Based Taxation	Links taxation to spending behaviour rather than income or assets. In principle, those who spend more contribute more.	Difficult to administer and enforce. Not an accurate reflection of ability to pay. Requires detailed monitoring or reporting of expenditure and may create a significant compliance burden for residents and businesses.

Income Tax

As part of the review process, the Committees have considered whether Sark should move towards an income tax system. Income taxation has certain advantages and is widely used throughout the world as a means of linking taxation directly to earnings. However, the Committees do not presently consider a full income tax system to be the most appropriate solution for Sark.

A fully functioning income tax system requires assessment, collection, compliance monitoring, appeals procedures and ongoing enforcement. Delivering those functions would require a significant increase in administrative capacity within Sark's government or the outsourcing of those duties to another jurisdiction. Either approach would involve substantial cost and complexity. Reliance on another jurisdiction to administer Sark's taxes could also reduce practical control over our own taxation arrangements.

Income tax may also fail to achieve the wider objective of aligning taxation with overall ability to contribute. Some individuals may possess substantial assets, investments or accumulated wealth whilst generating relatively modest annual income. Unless additional taxes on dividends, capital gains and other forms of wealth were also introduced, an income tax system could place a disproportionate burden on those whose wealth is primarily derived from employment rather than accumulated assets.

In addition, income tax would impose significant compliance obligations on both businesses and individuals. Returns would need to be prepared and reviewed each year and detailed financial information submitted to the authorities. For a small jurisdiction with limited administrative resources, this additional complexity may not be proportionate to the benefits obtained.

Property Tax

Relying solely on property taxation would also be an imperfect measure of ability to contribute. Although property remains an important and broadly reliable part of Sark's existing tax base, the size of a property no longer provides a complete indication of wealth. Property size does not necessarily dictate property value, and property ownership may reflect inheritance, historic circumstances or family arrangements rather than current financial capacity. A property-only system would therefore be too blunt an instrument if used as the sole means of assessing what different residents can fairly afford to contribute.

Expenditure Tax

A tax based on expenditure would raise different concerns. It would be onerous for individuals to record and evidence what they spend, and it would be intrusive in terms of personal privacy. It would also be difficult to administer accurately, particularly in a small island economy where spending may take place both on and off Sark. For these reasons, expenditure-based taxation would be unlikely to provide a practical or proportionate basis for reform.

Why an Asset-Based Approach Continues to Be Considered

An asset-based system has a number of advantages in Sark's particular circumstances. This does not mean that an asset-based system is perfect. Important questions remain regarding valuation, administration, exemptions and fairness, all of which require further work and consultation.

However, an asset-based approach builds upon principles that already exist within Sark's current taxation framework and can potentially provide a more accurate picture of an individual's overall ability to contribute than income alone. Many residents may have relatively modest, declared income whilst possessing significant accumulated wealth. Conversely, some residents may have reasonable income but few assets. Looking solely at income therefore risks producing outcomes that do not reflect overall means.

An asset-based model can also be administered more simply than a full income tax system. It avoids many of the complexities associated with annual income assessments whilst continuing to provide a mechanism through which differing financial circumstances can be recognised. In addition, specific protections can be incorporated into the design of any future system. The current framework already excludes pensions from assessment, and future reforms could continue to provide exemptions, allowances or thresholds where appropriate.

Importantly, an asset-based approach builds on concepts that residents are already familiar with through the existing Personal Capital Tax system, reducing the need for entirely new administrative arrangements.

The Committees recognise that concerns remain regarding privacy, disclosure requirements and the treatment of savings. These issues will require careful consideration before any final proposals are developed. No final decisions have been made regarding the structure of any future reforms. Further work will continue throughout 2026 and 2027, with detailed proposals subject to additional public consultation before being brought before Chief Pleas.

The Committees are not proposing significant changes to Sark's existing property tax framework at this stage. The property tax system is broadly understood, relatively simple to administer, and continues to work reasonably well as part of the overall tax structure. The purpose of the wider reform work is therefore not to discard what already functions, but to ensure that the system as a whole better reflects the ability of different residents and households to contribute fairly to the Island's needs.

Opting Out of Declaring Assets

There has, perhaps inevitably, been a certain degree of scaremongering around the proposed taxation changes. There has never been an intention to make Sark an unattractive place to relocate. It is very apparent that the desire to avoid declaring assets or an individual's own economic position is very strong among some members of the community. In whatever tax reforms that are eventually brought forward some form of opt out or maximum tax, which avoids declaring, will still be retained at a rate or rates that are extremely competitive against other jurisdictions. The precise level will need to be considered carefully, and it may be appropriate for it to be higher than it is now, but it would still remain highly competitive when compared with other jurisdictions.

Savings

Many residents have worked hard over many years to build up savings intended to support them in later life, particularly in a context where private medical insurance is becoming increasingly expensive and where future care costs may be uncertain. The Committees recognise that these savings are not always an indication of disposable wealth, but may instead represent prudence, security and a necessary safeguard against the financial pressures of old age. This concern must be properly considered as part of any asset-based reform. The Committees are committed to ensuring that residents who have set aside reasonable savings for retirement, healthcare or future care needs are not unfairly disadvantaged by any changes, and that appropriate protections, thresholds or exclusions are considered as part of the detailed work for the 2028 reform package.

Alternative Revenue Streams

Chief Pleas is also exploring alternative revenue streams to help minimise the tax burden on residents wherever possible. Potential options include the development of a Sark shipping registry, measures relating to derelict or underused property, and other targeted sources of revenue that could support public services and infrastructure without relying solely on increases to resident taxation.

9. Continuing the Conversation

The work is far from complete. The Committees remain committed to engaging openly with the community. Residents are encouraged to participate in future consultations and discussions as proposals continue to develop.

The objective is to ensure that any future tax reforms support:

- Sustainable public services.
- Essential infrastructure investment.
- Financial resilience.
- Fairness across the community.
- Sark's long-term future.

Over the coming months, the Policy & Finance Committee and the Taxation Review (Special) Committee will work together to develop revised proposals for 2028, taking account of the extensive feedback received through consultation meetings, tax surgeries and written submissions.

Further engagement with the public will form a central part of that process. New proposals will be shared, discussed and refined before any final decisions are brought before Chief Pleas.

10. Annex: 2026 Tax Form

Office of the Tax Assessor, Committee Offices, Chasse Marette, Sark GY10 1SF

Tel: (01481) 832509 e-mail: tax.assessor@sarkgov.co.uk
The Direct Taxes (Sark) Law, 2002

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):	

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)	

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)	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 31st 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 31st 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	£