**Taxation Consultation with the Residents of Sark**

**Responses**

**#697**

**(A) Current Tax System – Score Rating 1 – Strongly Disagree**

No comment.

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

No Comment.

**(C) 91st Day Personal Capital Tax – Score Rating 1 – Strongly Disagree**

This question is a non-starter if you do not have a definition for a tax resident.

**(D) Personal Capital Tax – Score Rating 1 – Strongly Disagree**

if those registered at the property were residents in the normal sense of the word, i.e., living on the island, this question would be unnecessary. It is an issue because of the bed available for 90 days rule. The people registered at some of these properties do not share a house; they never even see each other.

**(E) Seasonal Workers – Score Rating 1 – Strongly Disagree**

They are already liable to pay tax where that are resident.

**(F) Personal Capital Tax Related to Duration of Residency on Sark – Score Rating 1 – Strongly Disagree**

By this you are admitting there are problems in that so called ‘residents’ are not spending much, if any, time on then island. Yet, you are not willing to consider defining in legislation what a resident is.

**(G) Derelict Houses – Score Rating 3 – Neutral**

This will be ineffective if the owners are wealthy. It would be better to introduce more robust planning laws with fining powers.

**(H) Property Transfer Tax – Score Rating 1 – Strongly Disagree**

If local market dwellings can only be occupied by people who have lived on the island fir long periods the price of local market property will be cheaper. It is important that this status is properly protected by a residency plan i.e., only those spending 181 days per year for 14 years may qualify.

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

Only if the bed tax collected was used solely to promote tourism and not thrown in the general pot.

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

No comment.

**(K) Ring Fenced Taxation** **– No Score Rating**

Do you mean the tax payer could elect where their increased tax should be allocated? If not, and CP is collecting the tax to use in the areas they see fit, is there any point to this question?

**(L) Sark Residency / Tax Residency Approved Scheme – Score Rating 1 – Strongly Disagree**

There has to come a point where if a person stays on the island for less than a certain time, they cannot in reality be considered a ‘resident.’

Additional Thoughts:

It is blatantly obvious to most that Sark needs to define in law who is a resident for tax purposes. Sark gives out TIN to anyone who has a bed available to them and this TIN is proffered as proof of residency. Giving a IN to anyone who has a bed available to them for 90 days a year is facilitating tax evasion in the countries where so called Sark residents are actually living/spending most of their time. Separate the property and personal taxes. Give TINs to those who fall within the legal definition of a resident and so responsible to pay personal tax. Allocate a simple reference number in relation to property tax.

If people are not living in a property, then double or triple the property tax. It will bring in more money for then island and in some cases encourage people to rent out to people on the island. If you needed to be a resident (as defined) to rent a property (for anything other than a holiday let/) this may also bring down then rents being charged.

Currently there is insufficient money being raised to maintain the island’s infrastructure, essential services and care for the elderly and vulnerable. Then tax system needs a complete overhaul. Bring in a personal allowance so that locals on the island on low income are not bearing the brunt of the island’s tax system. Tax individuals, companies, trusts, beneficiaries, shareholders, directors a 10% tax on all types of income or dividends they receive worldwide if they are Sark residents. There could be a cap over and above a certain amount they receive, such as £250,000 per calendar year. This keeps our tax system competitive and simple.

Then Tax Assessor needs to be independent and someone who is a member of a professional body who has a reputation to uphold and something to lose if they failed to act in accordance with the law. They should not have a connection to Sark and particularly to any politically exposed person on Sark. Ideally a former tax inspector or accountant who is a member of the Chartered Institute of Taxation from the UK.

Be completely transparent, e.g., disclose sale prices of property and the amount of tax collected, the number of residents and the type and amount of tax collected. This does not breach GDPR. Transparency wins the trust of the community and makes corruption and nepotism less likely. Also members of Chief Pleas who act fraudulently with the taxpayer’s money should be held personally responsible.