**Taxation Consultation with the Residents of Sark**

**Responses**

**#141**

**(A) Current Tax System – Score Rating 4 - Agree**

No comment.

**(B) Personal Capital Tax – Forfait – Score Rating 2 – Disagree**

No Comment.

**(C) 91st Day Personal Capital Tax – Score Rating 2 – Disagree**

No Comment

**(D) Personal Capital Tax – Score Rating 2 – Disagree**

**(E) Seasonal Workers – Score Rating 2 – Disagree**

Taxing seasonal workers would make all tourist and some other services more expensive and make Sark less attractive as a destination.

**(F) Personal Capital Tax Related to Duration of Residency on Sark – Score Rating 4 – Agree**

Good idea, but only if the cost of the audit is significantly cheaper than the revenue.

**(G) Derelict Houses – Score Rating 2 – Disagree**

These houses should be incentivised to be used productively, not incentivised to be sold to millionaires who will not necessarily create affordable housing.

**(H) Property Transfer Tax – Score Rating 4 – Agree**

Good idea, as long as we stick with the “open market/local market” system (which I am in favour of).

**(I) Bed Tax – Score Rating 2 – Disagree**

Nonsensical ideas. The Bailiwick and also Sark is already expensive and unattractive for tourists in many areas, especially because of the difficult and expensive journey. Instead of levying visitor’s taxed on guests, better tourist incentives should be created and Sark should be marketed more attractively.

**(J) Plate Tax – Score Rating 2 – Disagree**

See above.

**(K) Ring Fenced Taxation** **– Score Rating 2 – Disagree**

Extremely bad idea that sounds good but hasn’t worked anywhere. There are countless examples from the UK and elsewhere.

**(L) Sark Residency / Tax Residency Approved Scheme – Score Rating 3 – Neutral**

Good idea, but only if the cost of testing is significantly cheaper than the revenue. This is only feasible with extremely good planning.

Tax Survey Comments:

What is ‘strongly agree’ supposed to mean? The 5 selection options are weird because either agree or disagree with an item. Or I don’t know, or it depends on context. In some cases, an answer option that included ‘depends’ would have been helpful.

Fundamentally, I lack context for this survey. What are the motivations? Why does Sark need more tax revenue, i.e., what for exactly and specifically? By what percentage should the budget be increased? What should the spending structure look like in the medium and long term? What is the basis for the estimates of the expected additional revenue (population development, development of the economy, tourism, transport options, border traffic, etc. are important parameters?)

As long as these things have not been modelled mathematically, it makes little sense to vote on ideas. This is because for some ideas, it is likely that **the cost of implementation will generate a negative result.** For example, the personnel costs of documenting the preconditions can generate absurdly high costs. Or tax ideas aimed at particularly mobile taxpayers may cause them to move away, which would devalue then idea.

Almost all of these ideas can have very unpleasant, unwanted and unintended consequences if they are not carefully thought through and **modelled in advance based on realistic scenarios.**