

## Press Release

Date: 28<sup>th</sup> May 2020

### New Alderney Property Tax moves to the next stage

Legislation allowing Alderney to take control of its own property taxation from next January has been agreed by Guernsey's States of Deliberation.

The Alderney Property Tax (Enabling Provisions) Law 2020 now goes to the States of Alderney for adoption.

The new single tax combines Taxation on Real Property (TRP), collected by Guernsey with a grant returned to Alderney every year, and the Occupier's Rate which is collected locally.

Many property owners won't see any significant change in the overall amount they pay and will instead receive one bill instead of two. Tenants in rented accommodation will no longer receive a bill for Occupier's Rate as it will be collected from landlords who can reach private arrangements with their tenants.

Current arrangements for discounts and zero-rating of particular classes of property such as social housing and charities are expected to continue.

The money goes toward the cost of all local services provided by the States of Alderney such as refuse collection and disposal, street sweeping, the harbour and maintaining green spaces. The States will have the power to raise or lower the levy in future years to meet projected budgets.

The move, first proposed in the 2016 Review of the Financial Relationship, hands more power to Alderney to govern itself and determine priorities and funding in respect of its own local services. It will also eliminate Alderney's dependency on an annual grant from Guernsey which currently stands at around £1.9m.

James Dent, Chairman of Alderney's Policy & Finance Committee, said: "When the new Property Tax is introduced, it is important that the States of Alderney raises income equivalent to the combined level of Occupier's Rates and TRP currently collected from Alderney properties.

"Although the new tax has required a considerable amount of civil service time and effort, it remains on track but we must be mindful that unforeseen circumstances in these challenging times could affect the timing."

The States of Alderney will also be taking over responsibility from the States of Guernsey for setting rates of fuel duty and document duty and retaining the proceeds from these. Between them, these two taxes raise approximately £750,000.

A communications plan setting out the implications for property owners and residents will be rolled out in the near future.

**Ends**