

## Alderney Property Tax – what is it?

### **What exactly is the new Alderney Property Tax?**

It is an annual tax based on the size of the property that you own.

Property owners and occupiers in Alderney pay two annual bills at present. Firstly, a Tax on Real Property (TRP) is paid to the States of Guernsey by the property owner on 1<sup>st</sup> January in the year of charge. In addition, the property occupier, or in the absence of an occupier, the owner, at midnight on 30<sup>th</sup> April in any year pays an annual Occupier's Rate to the States of Alderney.

Both bills are based on the size of the property and as the majority of Alderney properties are owner occupied, it means every household receives two bills each year and pays one sum to Alderney and one sum to Guernsey. However, all of the income collected by Guernsey is effectively paid back to the Alderney Government as part of an annual grant. Introducing a single property tax will simplify this by just sending one bill to the owner with all income paid to the States of Alderney.

The new Property Tax will replace Occupier's Rate and although the States of Guernsey will still have the legal powers to raise TRP in Alderney, they have agreed that this will be Nil.

The new tax will have all of the features of TRP currently paid to the States of Guernsey and will be familiar to current Alderney property owners. A new law has been drafted and the new tax will be called Alderney Property Tax.

### **Who will be legally responsible for paying the Alderney Property Tax?**

The owner of any property at on 1<sup>st</sup> January in the year of charge will be responsible for the charge for the calendar year in exactly the same way as for Guernsey TRP at the moment.

### **How exactly will my bill be calculated?**

*Property size measured in 'Assessable units' x Annual tariff for your property category.*

This is the same as current Guernsey TRP. Every existing property in Alderney has already been measured and a record is maintained of the square metre measurement. For built property, 1 sq. m is equivalent to 1 'assessable unit' under Alderney Property Tax. Assessable units will be used to calculate your property tax bill by multiplying this by the Property Tax tariff appropriate to your property. You may still see reference on your bill to measurements being in 'TRP Units' as this is the unit of measurement in the system.

**Assessable Units:** The size of a building determines the number of assessable "units" (or the "assessable unit value").

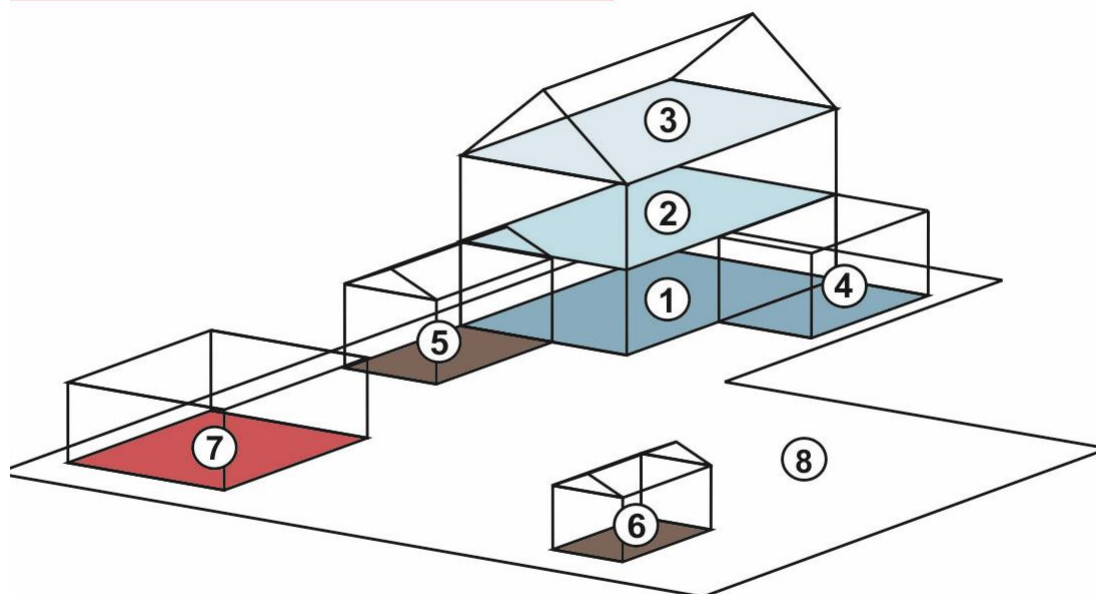
**Units of Measurement:** 1 square metre of built property or 50 square metres of land = 1 assessable unit.

Land in Alderney is zero rated for TRP and occupier's rate purposes and this will continue with the Alderney Property Tax.

### How is property measured for Alderney Property Tax?

Buildings are measured externally to the edge of the roof line using GPS (Global Positioning System) equipment and digital mapping imagery which is updated every three years.

This diagram shows how different property areas are identified for assessment.



The table below shows how the unit values for the various property elements are calculated

Illustration based on 2020 combined Occupier's Rate and TRP tariff.

No.	Description	Area Sq.M	Stories No	Total Units	Tariff 2020 £	Bill 2020 £
8	Domestic (Ground floor)	50	1	50	3.24	162.00
2.	Domestic (First floor)	50	1	50	3.24	162.00
3.	Domestic (Top floor*)	50	0.5	25	3.24	81.00
4.	Domestic (Extension)	20	1	20	3.24	64.80
5.	Domestic (Extension)	15	1	15	3.24	48.60
6.	Domestic (Glasshouse)	4	1	4	0.75	3.00
7.	Domestic (Outbuilding)	25	1	25	1.63	40.75
8.	Land	Exempt	N/A	N/A	N/A	
	<b>Total</b>			<b>189</b>		<b>562.15</b>

\*sloping roof is rated at 50%

## Will I pay more than I do now?

The Property Tax levels or tariffs for 2021 will be set by the States of Alderney at the end of 2020.

Property owners currently pay TRP to Guernsey and occupiers pay Occupiers Rates to Alderney. Both are based on property size assessed by the Cadastre Department in Guernsey and expressed as 'assessable TRP units' (1 square metre = 1 TRP/assessable unit).

To illustrate how the new arrangements will work, the example below shows the invoice calculations using the 2020 tariffs for the most common domestic property of under 200 assessable units which has an owner/occupier. (NB: Illustration only - based on 2020 tariffs and should not be taken as representative of tax levels for 2021).

Current system – 2020 tariffs		New system – 2020 tariffs
<b>Alderney Rates Invoice</b> Tariff = £1.40 <b>£280</b>	<b>Guernsey TRP Invoice</b> Tariff = £1.84 <b>£368*</b>	<b>Alderney Property Tax Invoice</b> Tariff = £3.24 <b>£648</b>
<b>Total paid to both States for year = £648</b>		<b>Total paid to Alderney for year = £648</b>

\*Currently, this income is effectively paid back to Alderney as part of the annual grant allocation.

## When can I expect my Property Tax invoice?

Invoices will be issued annually in March.