



Press Release

Date: 9th February 2021

New Alderney Property Tax bills will arrive in March

The first bills for the new Alderney Property Tax will be sent out in March, marking a major change in the way the States funds its day-to-day services.

From now on, Occupier's Rates are no longer collected by the States of Alderney and Guernsey will not collect Taxation on Real Property (TRP) in Alderney.

Instead, Alderney Property Tax will be payable by all property owners and replaces Occupier's Rates as the Island's main source of income. The total to be collected by the States will be equivalent to the previous total of Occupier's Rates and TRP combined, with a 3% increase that was agreed in the States' budget.

"What this means for many is simply that they will receive one bill instead of two separate bills," said Chris Harris, Chairman of the Finance Committee. "The bill will look exactly like the TRP bill of the past and the arrangements for calculating it, notifying changes, collection and recovery will also be the same."

To keep costs down, an arrangement has been agreed with the States of Guernsey to manage the new system for Alderney alongside its own TRP system. This means that property owners will pay the new tax to the States of Guernsey who will simply collect it before passing it on to Alderney. Direct Debits can be arranged over 10 months if required.

Because the Property Tax effectively consolidates TRP and Occupier's Rate income into one bill due from the owner, landlords will notice an increase compared to previous TRP bills. As tenants are no longer paying the Occupier's Rate, tenancy agreements may be adjusted to ensure that the impact is balanced as far as possible.

"This change means that the States will take on sole responsibility for setting the rate of tax on Alderney properties in future. Once the new tax is established, future States may want to review tariffs to provide incentives to different property owner groups depending on budget needs at the time," added Mr Harris.

As well as the new Property Tax, the States will also set the levels of Fuel Duty and Document Duty and keep all proceeds raised on the island from now on.

The money collected on island and paid to Guernsey in the past will now be payable to Alderney and, in return, Alderney will no longer require the grant (about £1.9m) that has previously been paid.

Full details and guidance can be found at <http://www.alderney.gov.gg/property-tax>.

Ends

Chris Harris, Chairman, Finance Committee

