

States   
of Jersey

**INCOME TAX OFFICE**  
**BUSINESS PLAN 2009**

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## INTRODUCTION BY THE COMPTROLLER OF INCOME TAX

Over the last few years we have been facing and, indeed still are facing, major challenges within the Income Tax Office.

2009 will see the full implementation of the 0/10% corporate tax regime approved by the States in January 2007 and the related shareholder taxation provisions approved in November 2007.

GST will be moving into its' second year of operation. As yet, the full operational requirements of the introduction of GST are slightly uncertain. A post implementation review has just been undertaken, and has recommended 14 changes. Overall, the review has given a very positive result for the implementation of GST. The major challenges in this area for the coming year are (a) the implementation of these recommendations, (b) further development of the compliance strategy for GST, including identifying risk areas and (c) the phasing in and implementation of the penalty system.

The phasing out of tax allowances through the 20% means 20% regime will be in its third year. The immediate issue of personal tax assessments, once completed, for those individuals in employment, rather than having a General Issue Date, will also take effect from 2009. This will assist the Office with workflow and the taxpayer through receiving more timely information.

ITIS will be in its fourth year in 2009 and improvements to the system continue to be made, such as the abolition of the reversion to the preceding basis after a number of years on the current basis.

As Competent Authority for Jersey's international tax agreements, the Comptroller will be in the third year of the successful implementation of the European Union Savings Directive Bilateral Agreements, with 27 European Union countries, as well as complying with our commitments under the USA / Jersey Tax Information Exchange Agreement (TIEA). Negotiations on TIEA's with the Netherlands, Germany and the seven Nordic countries have now been concluded and they are all expected to go fully operational this year. Indeed, the first two requests have been received from the Netherlands Competent Authority. Further TIEA's with the United Kingdom, Ireland and France have also been concluded and will become operational sometime within 2009. These new TIEA's will bring with them the challenge of handling the considerable workload that will arise, particularly from the UK.

Other significant challenges facing the Income Tax Office this year are preparing for the implementation of the Budget 2009 amendments to pension schemes, finalising the deemed rental charge proposal and the implementation of the new non resident landlords' scheme.

We will continue to service and assess over 105,000 personal, business and corporate taxpayers from whom we expect to collect tax revenues of over £510 million in Income Tax and Goods and Services Tax in 2009.

I know that we will all work together to achieve the challenges and demands of the key operational and strategic objectives set out in this Business Plan whilst continuing to give a high quality service to all our customers.

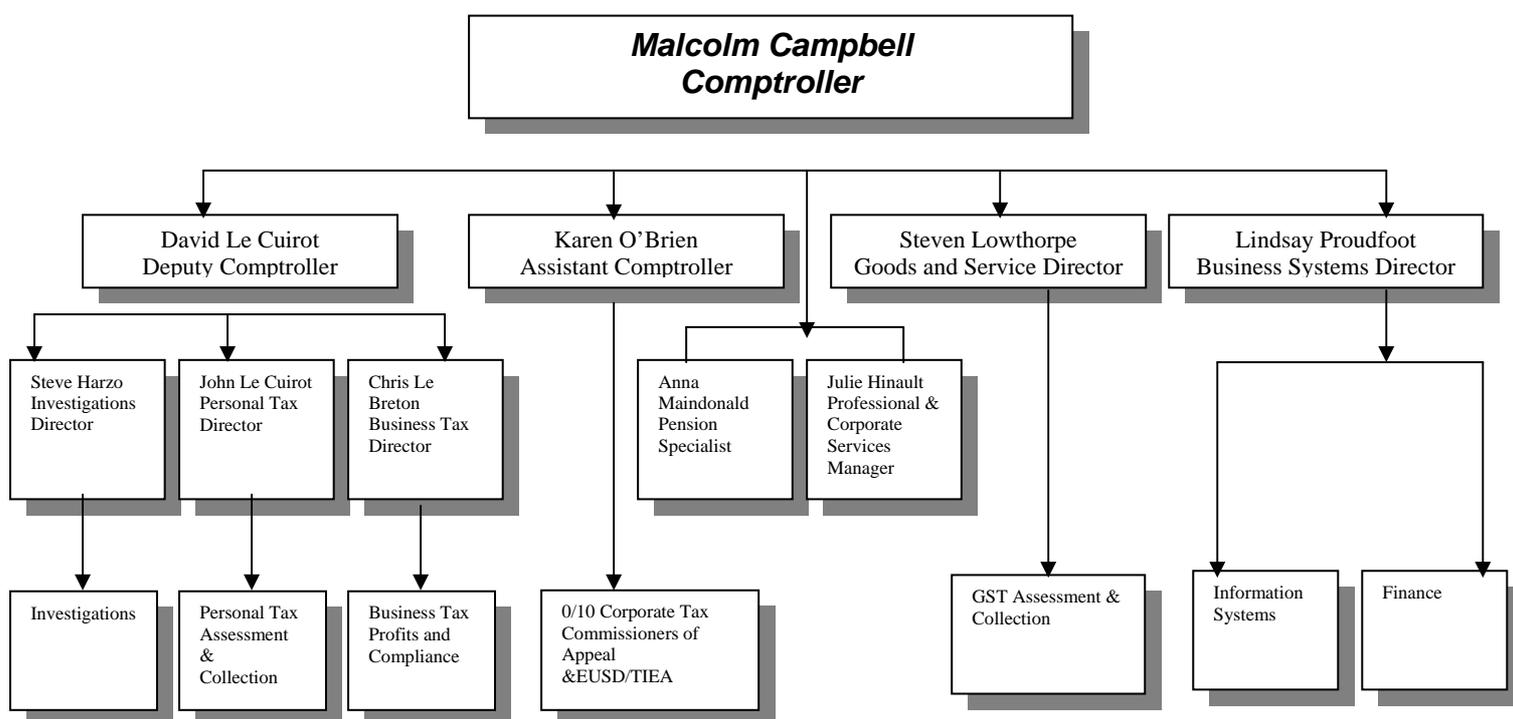
I am extremely appreciative of the commitment, dedication and loyalty I receive from all Income Tax staff. The results of the recent Have Our Say staff survey have now been published. I will endeavour to do my utmost in addressing any points raised which are pertinent to the wellbeing of staff within the Income Tax Office, particularly the issues that have been raised about abuse and violence suffered by staff from some of our taxpayers.

Following the momentous and unprecedented changes to tax legislation in the last six years, it is hoped that we can now look forward to a period of some certainty and stability whilst continuing to deliver an excellent service of which we should all, rightly, be so proud.

**Malcolm Campbell, BA., FTII., FCMI.  
Comptroller of Income Tax  
April, 2009**

The functions of the Office of the Comptroller of Income Tax, as detailed at Article 6 of the Income Tax (Jersey) Law, are discharged with the invaluable assistance and expertise of approximately 100 full time staff equivalent, organised to deliver services as follows:

## INCOME TAX OFFICE ORGANISATIONAL CHART



## OUR VISION

We are an Office :

sTriving  
AAfter  
eXcellence

## OUR MISSION

The effective administration of the Income Tax Law, the Goods and Services Tax Law and all our international tax agreements, together with the efficient assessment and collection of tax whilst delivering excellent service to our taxpayers and other customers.

## OUR VALUES ARE

- ◆ To respect customer confidentiality in accordance with our Royal Court oath of office
- ◆ To put the customer at the heart of everything we do
- ◆ To take pride in delivering an effective public service for Jersey
- ◆ To always be fair and honest and act with integrity
- ◆ To achieve success in all we do by working together
- ◆ To constantly look for ways to improve what we do and are flexible and open to change
- ◆ To relentlessly drive out waste and inefficiency

## KEY OPERATIONAL AND STRATEGIC OBJECTIVES

1.	Assess tax revenues arising from 105,000 personal and corporate taxpayers whilst administrating the Income Tax Law impartially and ensure collection of 95% of 2008 tax revenues by the end of 2009.
2.	Continue with the development and implementation of the Goods and Services Tax programme in 2009.
3.	Implement the programme for the introduction of 0/10% corporate tax reforms and related provisions in 2009.
4.	Implement a current year basis of assessment for taxing trades, professions, vocations and investment companies.
5.	Continue with the abolition of tax allowances and reliefs for those with higher incomes, 20% means 20% during the year of assessment 2008.
6.	Continue promoting the programme for the electronic filing of agents tax returns and undertake the necessary law drafting, administrative and operational requirements for electronic self assessment by taxpayers.
7.	Review and revise all the Practice Notes and Guidelines for Approved Pension Schemes to reflect the 2009 Budget amendments.
8.	Monitor the Income Tax Instalment System (ITIS) and implement enhancements where deemed necessary.
9.	Investigate and collect back taxes and penalties from those who evade tax.
10.	Continue compliance activities in areas such as claiming of non deductible expenses in business accounts and attempts to convert income into capital.
11.	Undertake compliance with the EUSD Bilateral Agreements through the submission of retention tax and the exchange of information. Provide information to the relevant competent authorities as requested under the provisions of the Tax Information Exchange Agreements with the USA, Germany, Netherlands, France, the United Kingdom, Ireland and the Nordic Alliance.
12.	Continue to report to the Income Tax Office Monthly Management Meeting progress on important operational issues such as (a) monthly statistics for assessing and accounts inspection, (b) receipt and processing of ITIS returns; (c) cross Divisional discussions to ensure a common approach to operational and policy matters;(d) recruitment, training and development; (e) tax collection; (f) compliance and investigation activities, etc.,
13.	Ensure the continued practice of quick and pertinent tax rulings to professionals on new lines of business and innovative business transactions.
14.	Attend all meetings of the independent Commissioners of Appeal and present delay and contentious cases to ensure the equitable administration of the provisions of the Income Tax Law.
15.	Continue to attend and contribute to the Inter - Island tax meetings between Jersey, Guernsey and the Isle of Man Tax Offices in discussions of common operational and policy issues.
16.	Contribute, together with colleagues from the Economic Development Department, to increase the tax take from high net worth individuals.

17.	Deliver taxation revenue estimates to the Treasurer accurately and on time.
18.	Advise the Treasury and Resources Minister, as required, on tax policy and proposed amendments to the Income Tax Law and to implement that policy efficiently, effectively and on time.
19.	Continue to test and enhance the Business Continuity programme for the Income Tax Office.
20.	Constantly work towards our vision of striving after excellence, in particular delivering excellent results for all our customers, whether taxpayers, professionals, politicians or colleagues in other States Departments, in an efficient and effective manner.
21.	Ensure the efficient, effective and impartial administration of the Income Tax Law and the Goods and Services Tax Law and the most efficient use of resources by training and developing staff to their fullest potential and utilising information technology to its fullest extent.
22.	Ensure all States HR and other policies are adhered to and that we continue to maintain very favourable rates of staff absenteeism and staff turnover.
23.	Continue to promote dialogue between the Income Tax Office and professional agents in order to discuss and resolve common operational issues.
24.	Contribute to a common culture, common values and common corporate policies so that we play our part to ensure success for the Treasury and Resources Department.

## LINKS TO STATES STRATEGIC PLAN

BP REF	ACTIVITY	KEY PERFORMANCE INDICATORS	TARGET	IMP YEAR	KEY RISK	DKO REF
51	Undertake a post implementation review of GST – report and recommendations to be produced in late 2008	Implementation of the key review findings / recommendations	April, 2009	2009	Lack of funding for the CA resources involved	1 (iii)
52	Implement any necessary revisions to the 0/10% corporate tax reforms – including a deemed rental charge on all non finance non Jersey owned 0% rate companies	Legislation approved by the States Assembly in 2009	December, 2009	0	Blampted proposals rejected	1 (ii)
53	Ensure all administrative and operational requirements for electronic filing of Income Tax returns, to enable electronic self assessment for personal taxpayers, are completed for going 'live' in January, 2010	Testing of all systems completed and confirmed as ready for launch	September, 2009	2010	Unseen or external pressures delay the project	1 (vii)
54	Ensure all new domestic and international pensions provisions legislated for and administrative and operational requirements are completed	Legislation approved by the States Assembly in 2009	December, 2009	2009	Failure of stakeholders to agree a common and agreed way forward	1 (vii)
55	Undertake compliance with existing and new international Tax Information Exchange Agreements and the European Union Savings Directive Bilateral Agreements through meetings with relevant Competent Authorities and the submission of specific exchange of information and retention tax	All information exchanged and retention tax reconciled with appropriate international authorities	Within 40 days of specific Tax Information Exchange Agreement request / 30 <sup>th</sup> June, 2009 for the EU Savings Directive Bilateral Agreements	0	Reporting requirements not met by paying agents  Insufficient staff resources provided to enable compliance, particularly for the fast growing TIEA program of work	1 (vi)
56	Ensure the continued practice of quick and pertinent tax rulings to	Tax rulings to be made within three days	100%	0	None identified	1 (vii)

	professionals on new lines of business and innovative business transactions					
57	Assess and collect tax revenues arising from 105,000+ personal, business and corporate taxpayers whilst administering all aspects of the Income Tax and Goods and Services Tax Laws impartially	Taxation collected during 2009 and % of 2008 tax collected by the end of 2009  Error rate on personal tax assessment  Company tax assessments closed and issued  Cheques over £15,000 banked on day of receipt  Personal tax assessments closed and issued	£510 million in income tax and goods and services tax  95% of 2008 income tax collected by 31 Dec, 2009  <5%  100% by end February, 2009  100%  100% by end October, 2009	0	Lack of trained staff and resources	1 (vii)
58	Continue compliance activities in areas such as claiming of non tax deductible expenses in business accounts and attempts to convert income into capital  Investigate and collect back taxes and penalties from those who evade tax  Prepare prosecution files for HM Attorney General in cases of heinous fraud and evasion	Yearly statistics published  Amount of settlement tax per annum	Statistics published by 31 <sup>st</sup> December, 2009  £1 million	0	Time and resources allocated to implementation of current year basis tax proposals	1 (vii)
59	Continue to list delay and contentious appeals at four to six meetings a year for the hearing and determination of the independent Commissioners of Appeal	Four Commissioners of Appeal hearings held	Number of cases listed	0	Insufficient number of Commissioners available	1 (vii)
60	Introduce a risk based audit documented programme of visits to GST registered taxpayers  Processing of GST refund claims (normal GST registered	Produce an audit strategy (revised as necessary) and audit plan  Audit report including results  Genuine claims for refund of GST are made within statutory limits  Produce management	January, 2009  July, 2009 and December, 2009 July, 2009 (mid year review)  December,	0	Availability of trained resources – activity also linked to delivery of IT support system  Case work difficult to quantify / predict	1 (iii)

	businesses and others)	reports on performance	2009		(numbers and value) – any delay could result in interest payments	
61	Ensure the smooth implementation of the new Non Resident Landlord scheme	Produce management reports on performance	January, 2009	2009	Systems not ready  Agents not complying  Tenants not complying	1 (vii)
62	Ensure the smooth implementation of the new Land Transactions Tax scheme in conjunction with CFSD	Progress implementation in accordance with key milestones	December, 2009	2009	None identified	1 (vii)
63	Monitor the issues and workload arising from the move to a current year basis of taxing profits and the new zero/ten corporate tax regime to determine future allocation of work and working practices	Produce management reports on issues arising throughout implementation	January, 2009 (plus mid year review)	0	None identified	1 (ii)
64	Continue programme of anonymous feedback from taxpayers and professionals on the quality of our service at the Help Desk, by post and through telephone contact	Anonymous feedback on level of service given	Improvement on level of service in previous years	0	None identified	1 (vii)
65	Contribute, together with colleagues from the Economic Development Department, to increase the tax take from high net worth individuals	Number of new cases per annum	Statistics published by 31 <sup>st</sup> December, 2009	0	Other jurisdictions appearing more attractive	1(vii)
66	Continue to test and enhance a Business Continuity programme for the Income Tax Office	Programme of BCP tests	Functionality of BCP	0	Staff resource time available	1 (vii)

## ALL SECTIONS

ACTIVITY	KEY PERFORMANCE INDICATORS	TARGET	IMP YEAR	KEY RISK	DKO REF
In the management of staff, apply States of Jersey human resource, and Treasury & Resources policies in order to achieve States and T & R objectives  Implement the States of Jersey Human Resources policy	Achievement of full complement of appropriately skilled employees  Management awareness of good practice and competence in applying key processes  Good practice guidance is available to all staff	100% of managers to be trained and competent in the application of HR policy and practice   All key policies reviewed	0	Inappropriate recruitment and training and performance management leading to failure to deliver key objectives	2(ii)
Change management initiatives are adequately supported by HR resources	Monitor and adapt structures and develop jobs to match business needs, particularly where changes are planned	100% accuracy of organisational charts and job descriptions measured against the employees actual role	0	Lack of clarity leading to ineffective staff performance or disengagement from business objectives	2 (ii)
Manage recruitment and succession of staff and maximise retention	Managers apply good recruitment practice and succession planning in line with HR policy  Information on talent available to potentially fill vacancies in T & R and public sector finance, tax and property functions and specifically those posts identified as key to service delivery	100% of recruitment & development/succession plans in place by June 2009 and reviewed annually by managers and divisional management teams, T & R SMT	0	Loss of key staff and inability to attract applicants, or recruitment of persons who do not perform as required	2 (ii)
Administer a procedure for PRA approval	All staff receive at least one Performance Review and Appraisal (PRA) during the year	100% of eligible staff completed a PRA by December 2009	0	PRA does not address and set in place plans for key improvement and development for all staff	2 (ii)
Implement the States of Jersey training and development policy	Staff have a personal development plan (PDP) which arises from their PRA.  Divisions have an overall training plan and strategies to deliver key learning development needs	100% PDP's reviewed by 31 Dec 2009  100% divisional training plans in place	0		2 (ii)
Monitor absence and consider staff well being in order to minimise the number of days lost through sickness	Monitor absence and staff health in order to engage with those staff whose absence levels are high or whose health may be a concern.  Reduce absenteeism  HR and Occupational Health provide	A reduction in days lost in previous year	0	Many ill health problems cannot be avoided so solutions are limited	2 (ii)

	<p>guidance in order to find solutions to reduce the number of days lost whenever possible</p> <p>Specify and promote two solutions to the departmental managers that reduce the number of days lost to ill health</p>				
Co-ordinate the production and monitor the delivery of the action plan from the HAS staff survey	<p>Implement the 'Have our Say (HAS) survey'</p> <p>Consult staff on production and delivery of action plans to make improvements as indicated in 'Have Our Say' staff surveys</p>	<p>Staff are provided with opportunities to feedback views, ideas and concerns to line managers and senior management</p> <p>100% of agreed actions implemented</p>	0	If not achieved lack of awareness in staff of the contribution they are making to T & R plans and subsequently high performance not achieved. Possible loss of staff.	2 (ii)
Manage Health and Safety	<p>Apply safety procedures and systems in accordance with States Health and Safety policies</p> <p>Train staff to apply procedures</p> <p>Maintain records of safety management</p>	<p>100% building and staff have regular health and safety checks by December 2009</p> <p>100% of required persons trained to implement and coordinate H &amp; S procedures</p> <p>100% records maintained</p>	0	<p>Staff and customer experience accidents at work which could have been avoided</p> <p>Staff experience health problems and absence arising from unsafe practices and environment</p> <p>Non compliance and prosecutions under Health &amp; Safety legislation</p>	2 (ii)