

STATES OF JERSEY



PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025): FOURTEENTH AMENDMENT

MORTGAGE INTEREST TAX RELIEF

**Lodged au Greffe on 21st November 2025
by Deputy D.J. Warr of St. Helier South
Earliest date for debate: 8th December 2025**

STATES GREFFE

PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025):
FOURTEENTH AMENDMENT

1 PAGE 3, PARAGRAPH (b)(xii) –

After the words “in the Appendix to the accompanying Report” insert the words –
“, except that on page 31 after the words “increases in financial services”, insert
the words –

The Minister for Treasury and Resources will undertake to re-introduce the policy
of Mortgage Interest Tax Relief for personal income tax, with such relief to be
implemented in January 2027”.

DEPUTY D.J. WARR OF ST. HELIER SOUTH

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

- (a) In accordance with Article 16 of the Public Finances (Jersey) Law 2019 (the Law) to approve an amendment to the Government Plan 2025 – 2028 (entitled “Budget 2025 – 2028”) to a reduction in the 2025 head of expenditure “Grants to States Funds” as included in Table 5(i) Revenue Heads of Expenditure of that Government Plan from £119,821,000 to £69,821,000.
- (b) To receive the Government Plan 2026 – 2029 (entitled “Budget 2026-2029”) specified in Article 9(1) of the Law and specifically –
 - i. to approve the estimate of total States income to be paid into the Consolidated Fund in 2026 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law.
 - ii. to refer to their Act dated 24th June 2003 in which they approved that no new ‘user pays’ charges be introduced without any such charge receiving prior in principle approval by the States Assembly and accordingly to approve the introduction of two new charges, to be levied by Health and Care Jersey to promote appropriate use of the Emergency Department and for repeated non-attendance of outpatient appointments, detailed in the section entitled “Departmental Income Sources” as set out in the Appendix to the accompanying Report.
 - iii. to approve the proposed Changes to Approval for financing/borrowing for 2026, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approval amounts.

- iv. to approve the transfers from one States fund to another for 2026 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law.
- v. to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2026 of up to £50 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2025 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2026.
- vi. to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2026 of up to £5 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2025 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2026;
- vii. to approve each major project that is to be started or continued in 2026 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 4 to the Report.
- viii. to approve the proposed amount to be appropriated from the Consolidated Fund for 2026, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report.
- ix. to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2026 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.
- x. to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2026 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.
- xi. to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2026 as set out in Appendix 2 – Summary Table 8 to the Report.
- xii. to approve, in accordance with Article 9(1) of the Law, the Government Plan 2026-2029, as set in the Appendix to the accompanying Report “, except that on page 31 after the words “increases in financial services”, insert the words –

“The Minister for Treasury and Resources will undertake to re-introduce the policy of Mortgage Interest Tax Relief for

personal income tax, with such relief to be implemented in January 2027”.

REPORT

I am from a generation who have benefitted from Mortgage Interest Relief in an era when housing costs were significantly lower than they are today. It is therefore odd that in an era of higher interest rates and significantly higher housing costs that we are abandoning this tax relief.

It is also an anomaly that those with mortgages on second homes are still entitled to tax relief on their mortgage.

If we encourage home ownership as a long-term aspiration, facilitating this surely has to be a good thing. Homeowners are saving and building an asset that one day may be able to be used to enhance their income when they retire in an era when we are on average living longer.

There are many options available. For example, the tax relief on second home mortgages could be significantly reduced if not removed altogether and this additional income could be used to finance the gap created by mortgage relief on a 1st home.

The level of relief could also be reviewed when appropriate or required by external factors.

There are a number of policy options available, and I would like the Government to consider those options throughout 2026 and implement such a policy by January 2027, with any necessary reports brought to the Assembly.

Financial and staffing implications

As this amendment is seeking the development of a policy, costs will be covered by departmental expenditure that is already forecast.

Children's Rights Impact Assessment

I consider that this proposition (amendment) has no direct or indirect impact on children and that the duty to have due regard to the UN Convention on the Rights of the Child does not arise. Accordingly, a Children's Rights Impact Assessment is not required under the Children (Convention Rights) (Jersey) Law 2022.