



Jersey income tax is applicable to income arising on the island, whether or not the individual concerned lives on the island or not. For example, individuals may have Jersey property income, but do not live here themselves. Nevertheless, non-residents are not taxed on interest accrued on accounts with banks operating in the island or in respect of a Jersey Social Security pension. However, if a non-resident tax relief claim is made in respect of any other Jersey income, any bank interest and Social Security pension will be included in the computation as income subject to Jersey tax.

There are two categories of tax residency in Jersey – ‘resident’ and ‘ordinarily resident’. Whilst, in principle, both are liable to Jersey income tax on their worldwide income, those who are ‘resident’ but are not ‘ordinarily resident’ will only be liable to pay income tax on their Jersey source income and any on overseas income it is remitted to Jersey, for instance, non-Jersey pensions. Also, any remittances which arose before the individual was resident in Jersey will not be assessed.

Determining residency

There are no statutory definitions of ‘resident’ and ‘ordinarily resident’. Instead, the Jersey authorities have regard to the facts of each case, having some regard to English case law.

Generally speaking, the following guidelines apply:

Resident and Ordinarily Resident

- Individuals who have been in Jersey for 6 months or more in any one year; this includes anyone who visits the island on a temporary basis, even if they do not have the view to establish residence in Jersey. When the visit exceeds 6 months, they will become resident
- Those who have or keep available a place of abode and spend any time in that accommodation, for however short a period. If the visits span one complete calendar year with the accommodation solely available to them, they will be regarded as ordinarily resident;
- Those who make substantial and habitual visits – three months on average in any one year. If this happens over a four year period they will be considered as resident from the fifth year;
- An individual who is in Jersey for three months or more each year on average over four consecutive years will be a resident/ordinary resident even if he does not maintain a place of abode in Jersey;
- Finally, if one’s intention to make their home here is shown at an earlier date, they will be ordinarily resident from their arrival with the view to stay permanently.

Where an individual becomes resident or ordinarily resident in Jersey, they will be treated a resident or non-resident from a certain date. The Jersey income will be assessment from that date and assessments on foreign income will be calculated as follows:

- If the source of income from overseas ended before the date of residence in Jersey, no assessment on it will take place;
- If the overseas income first arose after the date of residency, the full amount of the income arising in the first year will be assessed;



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- If the income first arose before the date of residence, the assessment for the first year of residence will be appropriately proportioned to the period from the date of commencement of residence to the end of the tax year;
- If the source of income ceases before the end of the first year of residency, the assessment will be restricted to the amount of income arising for the period from the date of arrival to the date of cessation of the income source.

Where an individual leaves Jersey on a permanent basis to take up residence abroad, his assessment on income arising overseas for the year in which residence ceases will be based on the actual income arising in the period from 01 January to the date of departure.

For further information or specific advice, please contact [Nigel Pearmain](#), [Jeffrey Giovannoni](#), [Daniel Walker](#) or [Frances Littler](#) of Voisin.

This note is intended to provide a brief rather than a comprehensive guide to the subject under consideration. It does not purport to give legal or financial advice that may be acted or relied upon. Specific professional advice should always be taken in respect of any individual matter.