

Isle of Man income tax – 24% – or will it b...

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If [reports are right](#) that the UK subsidy to the Isle of Man is to be cut by between £50m and £100m then the island will need new revenue.

Its income tax covers both individuals and companies at a tax rate of 18%, in the main. The tax [collects £148m](#) this year as opposed to £337m of VAT — [two thirds of which is subsidy](#).

Now, to get that tax back from income tax means an income tax rate of between 24% and 30%. Some tax haven for those who live there.

Which begs the question — how long will local people vote for higher and higher taxes to be able to offer zero tax rates to those who abuse the place where they live? I just can't see that happening for long. Which is why I predict the Isle of Man will now be joining the likes of Cayman, Jersey and Guernsey as a place likely to internally combust quite soon.