

Treasury Statement on VAT revenue sharing with the Isle...

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The UK Treasury issued the following statement this afternoon:

Written Ministerial Statement

Isle of Man Indirect Tax Revenue Sharing

The Exchequer Secretary to the Treasury: (David Gauke): The Treasury has agreed a revision to the formula governing the sharing of joint indirect tax revenues under the 1979 Customs & Excise Agreement with the Isle of Man.

The new formula is intended to give the Isle of Man the revenue that they would collect if they ran their own indirect tax system, while providing the Isle of Man with generous transitional payments. In 2010 the Isle of Man changed the way that it measured its national income to more closely follow international standards. Under the previous formula this would have implied a significant increase in the Isle of Man's share of joint revenues. The new formula provides the Isle of Man with a share of joint indirect tax revenues similar to that which the UK Treasury expected when the last formula was agreed in 2009.

The Treasury welcomes the recognition by Isle of Man Government that the previous revenue sharing formula was not sustainable and we are pleased that a new formula has been agreed, following negotiations. The Treasury hopes that it provides a stable and secure basis for the long term future of the Customs and Excise Agreement between the United Kingdom and the Isle of Man.

HM Treasury

18 July 2011

I do like the line:

The Treasury welcomes the recognition by Isle of Man Government that the previous revenue sharing formula was not sustainable

I think someone may have smiled when writing that.

I am delighted specific reference is made to the Isle of Man's blatant attempt to manipulate the data on this issue. ***I brought this to public attention and the Isle of Man government was livid with me. I have been proven right, again and their flagrant attempts to abuse the UK have been rightly exposed and rejected.***

As I have previously noted: my campaign on this issue is over. My case has been proven on all counts and accepted as the basis for action; justice has been done.

Now there are other issues to address, not least in the Isle of Man.