



# City Research Online

## City St George's, University of London

**Citation:** Murphy, R. (2019). Taxation - A Philosophy. In: Scott, D. (Ed.), Manifestos policies and practices: an equalities agenda. (pp. 191-216). London: UCL, Institute of Education Press. ISBN 9781782772859

This is the published version of the paper.

This version of the publication may differ from the final published version. To cite this item please consult the publisher's version.

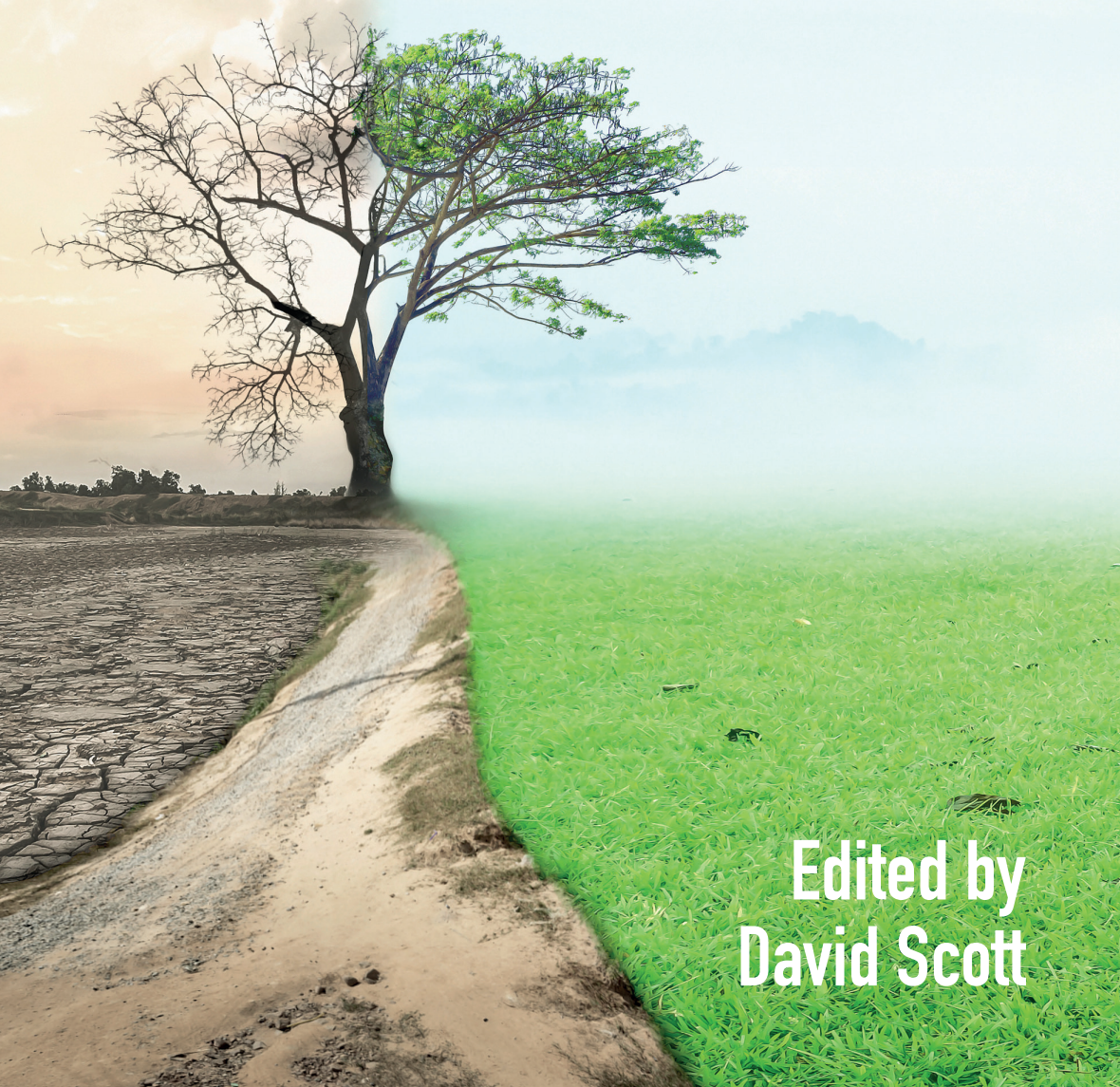
**Permanent repository link:** <https://openaccess.city.ac.uk/id/eprint/23063/>

**Copyright and Reuse:** Copyright and Moral Rights remain with the author(s) and/or copyright holders. Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge, unless otherwise indicated, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way. For full details of reuse please refer to [City Research Online policy](#).

**EXTRACT: CHAPTER 8**

# **MANIFESTOS POLICIES AND PRACTICES**

**An equalities agenda**



**Edited by  
David Scott**

# Manifestos, Policies and Practices

An equalities agenda

Edited by David Scott

This copy was provided by the publisher for upload to the author's institutional repository. When quoting from this chapter please use the following citation:

~~~~~  
Murphy, R. (2019). 'Taxation: A Philosophy'. In: Scott, D. (ed.), Manifestos, policies and practices: an equalities agenda. (pp. 191-216). London: UCL Institute of Education Press.

First published in 2019 by the UCL Institute of Education Press, 20 Bedford Way,  
London WC1H 0AL

[www.ucl-ioe-press.com](http://www.ucl-ioe-press.com)

©2019 David Scott

British Library Cataloguing in Publication Data:

A catalogue record for this publication is available from the British Library

ISBNs

978-1-78277-285-9 (paperback)

978-1-78277-288-0 (PDF eBook)

978-1-78277-294-1 (ePub eBook)

978-1-78277-295-8 (Kindle eBook)

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner.

Every effort has been made to trace copyright holders and to obtain their permission for the use of copyright material. The publisher apologizes for any errors or omissions and would be grateful if notified of any corrections that should be incorporated in future reprints or editions of this book.

The opinions expressed in this publication are those of the contributors and do not necessarily reflect the views of the UCL Institute of Education.

Typeset by Quadrant Infotech (India) Pvt Ltd

Printed by CPI Group (UK) Ltd, Croydon, CR0 4YY

Cover image ©iStockphoto/Boonyachot

The articles in chapter 9 are reproduced by kind permission of *The Guardian*, in which they originally appeared.

# Taxation: A philosophy

*Richard Murphy*

## Introduction

Labour has always been the party of tax and spend in the public imagination. In that case it has no choice but to take on the issue of tax, embrace it in its manifesto and say how it will use tax to create a society that works for the greater good. This chapter will provide a set of policy recommendations to achieve this goal.

This chapter is organized in five parts. In the first the new philosophy of tax that Labour must promote is explained. Unless it can succeed in this aim it is suggested that it will have little chance of delivering its other goals. In the second part it is suggested that Labour must substantially reorganize the UK tax system, the management and organization of which is now anachronistic and entirely inappropriate for the twenty-first century. In the third part issues relating to corporation tax are addressed, because this has been the focus of so much attention over the last decade, and continues to be a major source of tax leakage within the UK tax system. In the fourth part issues relating to the taxation of wealth are considered, because unless income and wealth inequality is tackled through the tax system the UK is unlikely to enjoy the benefits that a Labour government should promise to all. Necessary reforms are outlined. Finally, in a fifth part discussion of a new tax on consumption is offered, which is essential if global warming is to be tackled.

Together these proposals are designed not just to reform the tax system and collect the necessary revenues that are required to balance any Labour chancellor's economic plans, but they are also designed to support the overall objectives of a Labour government in creating a fairer, more equal and sustainable society.

## A new philosophy of tax

The difficulty that Labour faces in undertaking this task is that it will have to face up to the profound challenge of re-educating the country about how government finances work. Unless it does so, there is little chance that it can

put in place the policies that the country desperately needs, and can afford, but which existing economic thinking deems to be impossible to deliver.

At its core this means that Labour has to tackle the problem of the ‘household analogy’ when it comes to understanding government finances. This analogy suggests that just as a household is constrained by its income, and if it overspends then it must borrow, and then forgo future income in order to make loan repayments, then so too must any government act likewise. It is this analogy that has led to prime ministers claiming that the country has ‘maxed out its credit card’ (Clark, 2012) and that the national debt is a ‘burden on future generations to come that they must repay’ (BBC News, 2018). These claims are widely believed and have been used to justify the policies of austerity that have dominated UK political debate for more than a decade. There is just one thing to note with regard to them, and that is that all such claims are wrong.

A government that, like the UK, owns its own central bank (the UK government has owned the Bank of England since 1947), which issues its own currency (as we do, in the form of the pound sterling), which only borrows in that currency (as is effectively true for the UK) and which demands that all tax owing to it be paid in that national currency, behaves nothing like a household. There is a very good reason for this: not only can such a government create its own money – at will, whenever it wishes – but also it can never go bankrupt. It can, by definition, always pay its debts in full whenever it likes because it always has the means to do so by simply creating the new money that is required to make a settlement. It is, as a result, never constrained by the size of its national debt.

Understanding this is of enormous significance to the future of Labour’s economic policy. It acknowledges the fact that all money is now made in the form of debt. This was not true throughout much of history, of course. It is entirely true, however, that until relatively recently money was always in short supply, whether for governments or anyone else, because its value was automatically linked to physically scarce resources. In modern history this scarce resource was always gold. The result was that the term ‘tax and spend’ then made sense. While this constraint existed, a government could ultimately only secure the means to pay for goods and services by raising taxes or borrowing the funds that might have been used for other purposes within the economy. When this gold standard ruled, money was a zero sum game that constrained government as much as anyone else.

However, the gold standard in effect came to an end in 1971, when Richard Nixon removed the link between the US dollar and gold. Since at that time almost every other major currency (including the pound) was

traded at a fixed exchange rate to the dollar, all other currencies came off the gold standard as well. This was one of the biggest economic revolutions of all time, but few appreciated it then, or have done since.

What we got from 1971 onwards in place of gold backed money was 'fiat' money. In this context fiat means money that has no intrinsic value at all and is not backed or guaranteed by the existence of any physical commodity. Fiat money only has value for three reasons. The first is that a government declares it to be legal tender. The second arises because the government insists that this currency be used to settle tax liabilities and so forces its economy to use it for most transactions that are undertaken, simply because most will give rise to a tax liability in some form or other. And, third, people will – as a result of reasons one and two – accept this money.

This has implications for Labour's tax policy for three reasons. First, knowing this invalidates the whole paranoia that has underpinned austerity. What has been called the national debt is no such thing: it is actually the government-created money supply. In that case there is no reason to repay it. Indeed, any plan to do so would be deeply detrimental because it would result in there being no government-created money in the economy, including cash, which is a figure currently included in the national debt. Not only would this mean that the government would have no effective control over the economy, it would also mean there would be no secure place for the people's savings in the event of a banking (or other) crisis. In addition, all money in existence would then have to be created through private lending by banks, and dependency on this mechanism would considerably increase private debt gearing ratios in the UK economy. This would leave a large part of the population extremely vulnerable to any form of pressure from upward interest rates, with a very high risk of recession occurring if that were to happen. In other words, this supposed national debt is actually an essential part of the economy, and far from being a problem it is actually the mechanism for secure savings used by pension funds, life assurance companies, banks and others who are willing to trade risk with a low interest rate in exchange for long-term security. The reality is that the government is always the lender of last resort, and it has a duty to provide the means for people to save in this way, which is what the national debt delivers. Repaying it would therefore be an economic mistake. Instead, allowing this so-called debt, or national savings as it is properly described, to grow in line with growth in the economy makes complete economic sense.

Second, the realization that the government creates money is liberating in another way. There are only two ways in which new money can

be created in an economy. One, already noted, is the government creating money by spending it into the economy and not reclaiming it by way of tax, so leaving it outstanding as what looks like debt but is actually national savings. The other is banks lending money into the economy, resulting in the creation of what really is debt, owed by individuals or businesses. The Bank of England acknowledged that this is the fundamental role of the banking system when there is fiat money in use in 2014 and subsequently. Almost all economics textbooks are wrong in suggesting that banks take deposits and then make loans; the truth is that banks actually lend money into existence and deposits arise as a result. The Bank of England stressed that the money that banks lend into existence does not exist before a loan agreement is entered into: it is the promise of the customer to repay that makes the money, just as much as it is the government's promise to accept the money that it creates by way of tax payment that makes money in its case. This is what the promise to pay now printed on banknotes really means. Just as the economics textbooks are wrong by suggesting that banks work on the basis of save and lend (when they actually lend and so create savings), so too are they wrong on tax and spend: it is actually spend and tax that takes place. Thus, the real answer to the question 'How will you pay for it?' that is perpetually directed at politicians when proposing a new idea is: 'By spending the money into existence that the project requires, which will itself create all the money that society needs to pay for it.'

Third, what this suggestion also makes clear is that double entry accounting is key to the understanding of macroeconomics. Money is just a promise to pay, meaning it is an asset in the books of the person who is being paid and a liability in the accounts of the person who has promised to pay. This also means that in a proper understanding the so-called national debt is in reality the nation's savings: this debt from the state exists because private individuals own it. And no one is forced to do that. The debt, when sliced up as government bonds, becomes private wealth, and all the evidence is that people are incredibly keen to own it. Indeed, whole markets exist solely to trade this debt, so valuable and desirable is it. The desire to deny the public a commodity they so want – which can either be described as the national debt or national savings, depending on the perspective from which it is viewed – is then wholly perverse. It is especially hard to understand why those who believe in markets are so keen to prevent this particular active, welcome and thriving market from developing further to meet public demand for national savings.

Promoting the idea that tax does not pay for government spending and instead that spending is paid for out of money created on the government's

behalf by the bank that it owns is going to be a tall order. But Labour has to do this if it is going to transform the economy, as it must. An economy for the twenty-first century cannot be run in compliance with myths based on a finance system that disappeared nearly 60 years ago. The country is in a mess precisely because that myth has been perpetuated, not least by some Labour politicians who should have known better. Just as the Bank of England has had to change its ways, so too must Labour.

At the same time this does not mean that tax is unimportant; it remains an issue of the greatest concern. That is because a government cannot keep on printing money to pay for services without consequences arising. By far the most likely of those consequences would be inflation. While a little inflation is generally considered to be good for an economy, and in this context a little inflation might be considered to be a bit more than the 2 per cent target that the Bank of England has set for many years, there is no doubt that every government has a duty to deliver the economic stability that relatively low inflation provides. Since the 1980s this has been achieved using monetary policy, which simply means changing interest rates. This policy decision has been devolved, rightly or wrongly, to the Bank of England since 1998. However, monetary policy has proved almost entirely inoperative since 2008, when because of the global financial crisis official interest rates were reduced to record low levels of less than 1 per cent, at which level they have remained ever since. There is little realistic sign that they will rise by very much in the UK in the foreseeable future, and the consequence is that, if inflation was to re-emerge, it is very unlikely that interest rate policy could be used to control it without severe ramifications, including significant numbers of personal bankruptcies and house repossessions, with a consequent potential banking crash. As a result, inflation has now to be controlled through the use of fiscal policy. What this means is that, by varying the amount of money that the government injects into the economy by changing the ratio of its spending to tax recovered the government can stimulate or deflate the economy. In so doing, it can either promote inflation when the rate is too low (by collecting less tax or by spending more) or reduce inflation by either cutting, spending or, preferably, increasing taxation. It is this role that is now the primary task for taxation within the UK economy. Tax does not fund government spending any more: tax is now the mechanism that can best be used to control inflation when interest rate policy is totally ineffective, because rates are too low, or when interest rates cannot be increased because of the dire consequences that would result if they were.

This means that the use of tax to balance the equation between government spending, money creation and borrowing is now an essential fact of economic life that Labour's economics policy must recognize. The relationship can be formally summarized as:

$$G = T + \Delta B + \Delta M$$

where:

G = government spending

T = net tax receipts

B = borrowing (and so  $\Delta B$  is the change in borrowing in a period)

M = government-created money (and so  $\Delta M$  is the change in that sum during a period)

$\Delta$  = a change in a changeable quality.

In this context the purpose of tax is to achieve a number of goals, none directly related to spending:

1. *Reclaiming the money the government has spent for the economy.* It may appear that tax revenue is being used to pay for government services supplied, but that is not true: government spending always comes out of funds the government borrows from its central bank. Tax, in that case, reclaims the money spent to prevent excessive inflation. The amount reclaimed is that which is considered sufficient to leave the desired rate of inflation in the economy.
2. *Ratifying the value of money.* Because a government requires that tax be paid using the currency that it creates (simply because that is the currency it bills in), that currency has for all practical purposes to be used in the economy for which it is responsible, assuming that tax forms a significant part of people's total liabilities. The payment of tax does, therefore, give a currency its value in exchange and as a result passes control of an economy to the government that charges the tax. This makes tax an absolutely fundamental component in macroeconomic policy.
3. *Reorganizing the economy.* Fiscal control and monetary policy are the two fundamental tools available to a government to manage its economy, assuming it has its own currency. As the explanation already offered has shown, money creation and taxation are the flip side of each other. Tax is then an integral part of macroeconomic policy and so of reorganizing the economy to meet social and economic goals.
4. *Redistributing income and wealth within the economy.* Experience has shown that market economies are very good at concentrating income

and wealth in the hands of a few people in a society. At the same time economics makes clear that this is harmful to the prosperity of a society as a whole because it seriously reduces overall levels of demand in the economy. Redistribution of income and wealth is then an essential function that any government must undertake, and appropriately designed taxes are a proven and effective method for delivering this policy.

5. *Repricing goods and services.* Markets cannot always price the externalities of the goods and services they supply or reflect social priorities. Tax permits the repricing of goods and services to reflect these facts.
6. *Raising representation in a democracy.* If people know they pay tax, they vote. This only seems to be true, however, for income taxes. That is why it is important that people are in this tax system. When this is the case, they want a say in how the system works, and democracy is enhanced as a result.

When these functions of tax are properly understood, economic policy will be transformed and, as the formula shows, the answer to the question ‘How are you going to pay for it?’ is ‘By paying for it’. This understanding does, however, have other consequences. In particular, precisely because tax is freed from a microeconomic function of funding government spending and instead assumes a macroeconomic function in the overall control of financial stability within the economy, it can then also assume different roles within the delivery of government policy, as explained especially by roles 3 to 6 above. Much of the rest of this chapter develops these themes, because the role of tax as the means to deliver changes in the way in which society operates is key to the success of a future Labour government.

## **Reorganizing the tax system**

### ***A ministry of tax***

If tax is to deliver on its potential as an agent for social change, then the way it is managed within government also has to change. This is particularly the case because at present the UK’s tax authority, HM Revenue and Customs (HMRC), is not directly accountable to the government. There is no minister with direct responsibility for taxation, nor is there a select committee on taxation in the House of Commons. These missing institutions leave the UK’s tax administration without sufficient political oversight and with too narrow a mandate, both of which flaws are compounded by an illusion that HMRC operates in an apolitical manner.

Under the present system of managing taxation, the Treasury manages the national budget so that tax functions in effect as a constraint on, rather than a facilitator of, social and economic policy. This constraint is compounded by the perception that HMRC operates very largely in the interests of big business, who get preferential service from it and who appear to enjoy a light-touch approach to the regulation that others in society do not. This might be explained by the fact that persons representing the largest firms of accountants in the country and big business, with no other third parties being represented, dominate the Board of HMRC. In addition, the absence of an Office for Tax Responsibility Function is a serious shortcoming in the UK's tax administration, meaning that there is no independent audit function reporting on the work of HMRC to either the House of Commons or a minister. To make the tax system more democratically accountable it is therefore essential that reform of the way in which the UK tax system is managed should take place. To achieve this goal the following changes are required.

First, the cabinet needs a minister responsible for taxation. This minister's role would be quite different from that of the Chancellor of the Exchequer, whose principal function is overall economic management. This minister would instead be responsible for HMRC, be responsible for minimizing the tax gap and so for delivering a tax system that actually worked, and for delivering tax policy that coordinated with and supported the work of other government departments. The revenue objective for taxation would be set by the Treasury; the responsibility for making sure that the tax system actually worked to deliver social and economic justice would be that of the Minister for Taxation.

Second, it is important to note that the division between the Treasury and Ministry of Tax is crucial: it would emphasize that tax is a support function that assists achievement of economic goals but is not a constraint upon them. This is not implicit in current economic management.

Third, in order to ensure that the narrow task of tax collection is independent of political influence, the Ministry of Tax would devolve this function to a purely administrative agency. This is currently the formal task of HMRC, whose name needs to be reviewed. The pretence that this institution is a function of the Crown should end and the agency should instead be made fully accountable to Parliament.

Fourth, both the Minister for Taxation and the Ministry of Tax must be politically accountable. This will require that Parliament have a select committee on tax. This task currently falls between the Treasury Committee

and the Public Accounts Committee, both of which have some discomfort with the roles they have assumed.

Fifth, to ensure that this parliamentary committee has the resources to do its job properly and transparently, Parliament should create an Office for Tax Responsibility that would report directly to this committee on taxation. This would have four responsibilities:

- It would act as the internal auditor of HMRC.
- It would audit the government's tax proposals to verify their credibility.
- It would review all allowances and relief in the tax system on a regular basis and recommend changes if any fail to achieve their stated purpose.
- It would audit the 'tax gap', which is the difference between the amount of tax that should be paid each year and the amount actually collected, and report to Parliament on progress in addressing this issue.

The result would be that the UK would, for the first time, have an accountable tax system. If the tax system is to work in the public interest this is essential.

### *Proper measures of the tax gap*

HMRC has published annual tax gap data since 2008/9. It is also important to note that the data has been subject to continual revision every year since first published. Originally estimated at something well over 8 per cent of total tax liabilities, it is now reported as being more than 2 per cent (or more than 25 per cent in value terms) less than that (UK Government, 2013). It is very unlikely that actual behaviour changed as much as this, of course. Caution is required with all the data HMRC has to offer as a result: if it can include errors requiring restatement to this extent, then its reliability has to be questioned.

There are other good reasons for thinking this. A simple review of the reported data suggests that it may be unreliable. For example, the latest data on tax avoidance suggests that there is a loss to this of just £0.7 billion a year for income tax and National Insurance (UK Government, 2013). This is very unlikely to be true. It is, for example, known that National Insurance losses from tax-driven incorporations alone were apparently costing the government at least £500 million a year by the government's own estimate in 2015 and were sufficient to require action. This loss would by itself explain almost all the supposed reported tax gap, but there were, of course, many other schemes in use as well, many of which also required direct government action. The suggestion that total avoidance was just £0.7 billion across income tax, National Insurance contributions and capital gains tax (CGT), looks to be an inaccurate estimate.

Then there is the issue of tax avoidance by large companies. In 2017 it was reported that HMRC had increased the number of challenges to large businesses in the previous year as it suspected it had been underpaid £5.8 billion as a result of transfer pricing abuses. And yet large business corporation tax losses in the same year (UK Government, 2018a) were estimated by HMRC as totalling £1.4 billion in its tax gap report. It is very hard to reconcile these figures.

The same problem of credibility arises with the figures lost to the shadow and hidden economy. In the tax year 2016/17 HMRC estimated that the resulting loss amounted to a total of just £1.8 billion for income tax and National Insurance in an economy where GDP is approximately £2 trillion. This is very hard to comprehend when the same tax gap report suggested 8.9 per cent of value-added tax (VAT) had been lost, largely because of tax evasion. When VAT is a tax on the nation's sales it is simply not possible that just £1.8 billion is lost to unreported wage income in the shadow economy; after all, the VAT fraudulently taken from businesses should be subject to income tax and National Insurance. This means that the tax gap is understated.

If the UK tax system is to be properly managed, it must have relevant and reliable data on tax not recovered, and at present this does not appear to be the case. The resources to correct this must be found. More importantly, HMRC cannot be relied upon to prepare these estimates. At present its management is reporting upon its own performance, and this means that it has every incentive to under-report the tax gap. This can only be remedied by an independent agency, such as an Office for Tax Responsibility, that prepares tax gap estimates for independent presentation to Parliament.

### ***Tax spillover assessment***

Tackling the tax gap is a vital issue: it is essential if a fair tax system that people can understand, and will comply with, is to be created in the UK. It is not, however, the only task that needs to be undertaken if this goal is to be achieved.

As many comments throughout this chapter make clear, there are numerous loopholes and abuses that exist within the UK's tax system, and that is before the threats that exist outside the UK – and most especially from tax havens – are also taken into consideration. Despite the existence of these threats, there has never been a formal appraisal by any government of where the risks and threats within the tax system are, and how they can be addressed. This failure has now been recognized as a problem by some within the national and international tax community, and proposals are

being made that tax spillover assessments should be prepared for countries such as the UK (Baker and Murphy, 2017).

A tax spillover is the deliberate or inadvertent adverse consequence that one part of the tax system has on another part of that same system. So, for example, if the UK has a low CGT rate when compared to its income tax rate (as is the case at present), then there is an obvious incentive for anyone to try to represent that they have made a capital gain instead of reporting income. Similarly, if the corporation tax rate payable by a small business is lower than the income tax rate that would be paid by the same business if it were operated in the owner's name, then there is clearly an incentive to run the business activity through a limited company.

If a tax system is to be effective and fair, it will be important to eliminate as many of these spillovers as possible, and many could be addressed quite easily if they are properly identified and costed. Therefore, it is essential that such an activity be undertaken to ensure there is a coherent plan for the future direction of the UK tax system. This would be an ideal task for an Office for Tax Responsibility to undertake. Only when a tax spillover analysis has been created and costed can an effective plan to tackle the problems within the UK tax system be put in place, and as such it must be a high priority for a Labour government.

## **Tackling corporate tax abuse**

### ***Public country-by-country reporting***

Since the late 2000s, a multitude of tax scandals have emerged, most of which have involved the use of tax havens by multinational corporations. As tax justice campaigners made clear from 2003 onwards (Murphy, 2003), improved corporate transparency would largely address this issue. This is because at present no multinational company has to provide financial reporting on a country-by-country basis that shows what its sales are in each of the countries in which it operates, how much profit it makes in each place, how much tax it pays there, how many people it employs in that jurisdiction and how much it has invested in that country. As a result, multinational corporations have been able to shift their profits from the countries where they really earn them – generally locations with high populations that need to charge corporation tax – to tax havens, without anyone being able to identify precisely what they have been doing. This has made such relocations all the more attractive, and harder to challenge.

The proposal for country-by-country reporting that has been supported by many non-governmental organizations around the world became part of the international tax agenda when in 2013 David Cameron

promoted it at the G8 Summit held at Lough Erne in Northern Ireland that year (UK Government, 2013). It subsequently became a recommendation of the Organisation for Economic Co-operation and Development's (OECD, 2013) Base Erosion and Profits Shifting programme in 2015, and is now a legal requirement as part of corporation tax reporting in more than 60 countries. Those tax authorities can now see precisely what the multinational corporations that report to them are doing, and can use country-by-country reporting data to estimate whether or not these companies really are reporting their profits in the right location.

The logic of country-by-country reporting is simple. It is that if each multinational corporation submits a simple profit and loss account for each place where it trades, declares the tax that it pays, the number of people it employs and the value of its investment in the location, then by comparing profit, tax paid and sales ratios it can be determined whether or not there are aberrations in the results reported between high or low corporation tax rated countries. These can then be investigated to see if profit is being artificially shifted into tax havens, and corrective action can be taken.

Tax authorities are already reporting that this is of considerable use to them, but as yet this data is not being made public, and yet it is in the court of public opinion that these companies must make the case that they are good corporate citizens when it comes to tax, and prove it with data. As a result it is essential that the UK demand that all multinational corporations trading in the UK publish this data for all their activities so that the public can be aware whether the companies they are spending their money with are paying appropriate taxes on the profits they make. It is currently estimated that up to £2.5 billion of additional tax might be collected if country-by-country reporting was able to eliminate all such abuse (Tax Justice Network, 2018). As importantly, a level playing field on which all businesses could compete fairly would have been created.

### ***Reforming accounting requirements for smaller companies***

The right of anyone to use a limited liability company to undertake a trade is a privilege granted by society, and not something that should be taken for granted. It makes the risk of corporate failure one that society as a whole bears, at least in part. It could be argued that this makes little sense, but the reality is that it has been proven to work: limited liability companies have encouraged people to set up new businesses, take risks, develop new ideas, and create jobs and wealth as a consequence. For that reason they should continue to be available.

However, all privileges carry responsibilities, and in the case of limited liability there are two. The first is the duty to pay all taxes owing. If society grants a privilege, then a company has a duty to settle its obligations to society in return. This means paying taxes. The second is to be transparent and thus accountable for the transactions that the limited company undertakes. In this way, society at large, as well as those who specifically trade with the company, know of the companies' activities, are aware of its financial position and so can decide whether or not they wish to trade with it, or whether it should even be allowed to trade at all.

Unfortunately, the trend over the last 20 years has been a significant reduction in the amount of information that smaller limited companies (which represent well over 90 per cent of the total in the UK) are required to publish. This trend has been influenced by EU law. It has also been heavily influenced by those arguing that imposing a requirement on a business that it publish its accounts in full is an unnecessary administrative burden, which should, therefore, be reduced. The result has been that small companies now only have to file their balance sheet on public record and do not have to publish any information on their trading or profitability, or on the amount of tax that they pay. This makes it exceptionally difficult to appraise their contribution to society, and to appraise the risk that any company might create for those who trade with it. In other words, the means to hold limited companies to account for the privilege that society has granted to them has been deliberately curtailed.

This situation has to change. Every company, whatever its size, must be held to account for the taxes that it should pay. And every creditor of every company, whether an employee, supplier or customer dependent upon a guarantee, should be able to assess the risk they face by trading with a company. It is essential that all small companies should now be required to file on public record the accounts that they are already required by law to send to their shareholders each year. This does not impose an additional burden on them since the requirement to prepare these accounts already exists. Instead it ensures that all companies are held to account, and that limited liability companies are not abused by those who might otherwise be tempted to take advantage of them for personal gain at a cost to others, including society at large.

### *Sorting out Companies House*

The UK supposedly has a corporation tax. However, there are real doubts as to whether or not a large proportion of what is owed is actually paid. The problem with large companies in this regard has already been noted, and

country-by-country reporting is the best solution to that problem. There is, however, another problem with regard to small companies. Small companies are meant to file their accounts and other data on public record once a year. Included among the other data that they are meant to file is information on who actually owns and controls the company. This information is essential if the companies are to be held to account. It is also essential if the companies are to be properly taxed, because without accounting data there is little chance that the correct amounts of tax owing will be paid.

Instead of pursuing these companies, the official regulator, which is called Companies House and is in practice the executive agency of the Department of Business, Energy and Industrial Strategy, will simply dissolve them unless an objection is received, which is relatively rare. In other words, the penalty for failing to comply with the law is that in the vast majority of cases the removal of any evidence that the law has been broken takes place with official assistance, and even active connivance.

This situation is intolerable for a number of reasons. First, the public do not get the information that they need on the companies that they are trading with. Second, the law is not being upheld, and that is dangerous with regard to any regulation. Third, it so happens that almost exactly the same number of companies that fail to file their accounts also fail to submit the corporation tax returns that are requested of them each year by HMRC (cf. Murphy, 2014). This cannot be a coincidence: those companies that are ignoring accounting regulations also ignore their tax obligations, and so there might be a very real cost to society as a consequence.

The solution to this problem is for there to be major reform in company law and in the organization of Companies House. Company directors should be made legally and personally liable for all the debts of a company if they delay submission of a required set of accounts or other data due to Companies House. Limited liability could only be reinstated if all documents were subsequently filed and all fines were paid. Company directors should also be personally liable for all fines owing for failing to file documents, which will remain due if documents are submitted or not.

In addition, it should be a legal requirement for banks to advise HMRC and Companies House annually of the persons whom they have identified to be the beneficial owners of the companies to whom they provide services. They should also advise HMRC of the total sums deposited into a company bank account in each year. Companies House should have a legal duty to check that the data supplied by banks agrees with the data filed by companies and to pursue any differences. This should ensure that proper

disclosure of ownership of companies is submitted, which is essential to ensure that the right people are held to account for the actions of a company.

HMRC should have a different duty when using this data. First, unlike the situation at present, HMRC should be required to automatically request a corporation tax return from every single company in existence each year, whether or not there is evidence that it is trading or otherwise. It makes no sense that this is not the case at present, and means that hundreds of thousands of companies are exempt from the requirement to submit a return even though HMRC do not have current evidence to determine whether this is appropriate or not. Then, in the absence of a return being submitted, they should be required to estimate the tax owing by a company based on the sums deposited in its bank account if the company fails to file the returns required by HMRC each year and to then pursue the directors for this estimated tax owing if the company does not make settlement, for which those directors would then be liable. In this way the fraudulent abuse of limited liability companies, which is now believed to be commonplace, could be massively curtailed, while honest businesses would be supported.

Only by enacting these reforms can the tax gap among small limited companies be tackled and a level playing field on which honest companies can compete be created.

### *Tackling tax haven abuse*

The UK is legally responsible for good order in its Crown Dependencies and Overseas Territories. Among these, Jersey, Guernsey, the Isle of Man, Gibraltar, the Cayman Islands, British Virgin Islands, Turks and Caicos Islands, Montserrat, Anguilla and Bermuda are frequently considered to be tax havens (Tax Justice Network, 2018). This has brought considerable disrepute to the UK and greatly undermined efforts to control domestic tax abuse. The UK has the legal right to stop this tax haven abuse because almost all tax haven activities are sold from these places to people who are not actually resident in them. The laws that govern tax haven activity in the Crown Dependencies and Overseas Territories, as a result, all relate to the foreign affairs of these places, for which the UK is legally liable in international law (UK Government, 2015). It can, then, legislate on these issues without the consent of these places, if necessary, and if they will not act appropriately of their own free will to maintain proper regulation and to prevent corruption.

To ensure that tax haven activity ends in these places four instruments are required, all of which replicate the changes proposed in UK law in this chapter. First, international companies (and most tax haven

operations are, by default, international companies) must be required to file accounts including country-by-country reports. Second, the full accounts of companies registered in these locations must be filed on public record in these places, without exception. Third, the ownership of these companies must also be filed on public record. Lastly, the suggestions made for UK Companies House reform, meaning that bank data on beneficial data must be checked against that filed by companies themselves, must be replicated in these jurisdictions to maximize the chance that the correct owners of offshore companies are identified. If these reforms take place, the secrecy that has permitted tax haven abuse to take place will be shattered and this abuse will end.

### *Fair Tax Mark*

There has been a culture of tax abuse among some companies and their advisers. This has led to the disclosure of many companies during the last decade that have paid too little or no tax despite appearing to undertake profitable business activities. This has discredited the business community more widely, and some companies deeply resent this because they seek to be tax compliant, which means that they seek to pay the right amount of tax, in the right place (meaning that they do not use tax havens), at the right time. These companies deserve to be recognized for doing the right thing. The only accreditation scheme for such companies is the Fair Tax Mark (<https://fairtaxmark.net/>). This scheme seeks to accredit companies that make appropriate tax and accounting disclosures, revealing that they are seeking to be tax compliant, including making voluntary country-by-country reporting disclosure when this is appropriate. This scheme should be encouraged so that people have the opportunity to trade with companies that make an appropriate contribution to society.

### *Increasing the corporation tax rate*

In the last decade or so the UK corporation tax rate has fallen from 30 per cent to less than 20 per cent. The result has been threefold. First, corporation tax rates are now lower than basic income tax rates, and that means there is a massive incentive for those who do not need to live off their income to transfer it into a company and so pay lower tax rates than are available to those who have to work for a living. This makes no sense at all, and creates significant injustices and distortions within the UK tax system.

Second, whereas large companies used to pay a corporation tax rate that was 10 per cent higher than small companies, this is no longer the case. The differential was designed to reflect the fact that smaller businesses, in general, have problems accessing the capital that they need to grow, and

therefore need to retain their profits to achieve this goal. The aim was to create a more level playing field between large and small companies as a consequence. This level playing field has now been eliminated, giving an unfair competitive advantage to large companies.

Third, it is likely that the tax cut has cost at least £10 billion a year in lost revenue. There has been no evidence that the UK economy has grown significantly as a result or that any new employment has arisen as a consequence. This has therefore been wasted money that has largely resulted in an increase in wealth inequality, as the reduced tax rate has fuelled increases in share prices.

As previously noted, companies must pay tax to reflect the privilege of limited liability that they have been granted by society. Current corporation tax rates in the UK are too low to reflect this fact, and as such a new corporation tax rate of at least 25 per cent should be introduced, with consideration being given to a higher rate for the banks and tech companies, who appear able to earn excess profits because of their near monopoly position in society.

### *A minimum corporation tax*

There are many problems with the international corporation tax system as it is currently constructed. It is unlikely that a Labour government could reform this by itself, but it is possible for it to take action to address some of the issues that arise. In particular, it could introduce an Alternative Minimum Corporation Tax (AMCT). This would use country-by-country reporting to estimate the fair allocation of taxes likely to be earned in the UK, whatever the company actually reported, and then apply to this resulting sum a tax rate of 80 per cent of the appropriate corporation tax rate that the multinational corporation might be due to pay in the UK. If this resulting estimated AMCT exceeded the amount actually payable on the declared profits in this country, then the AMCT would be due instead. In this way the incentive for a multinational corporation to shift its profits out of the UK would be considerably reduced, which is the whole purpose of this tax.

## **Taxing wealth**

### *Reasons for taxing wealth*

There is a wide range of reasons for charging additional tax on those with wealth or income from investments. These include:

- ending the prejudice within the tax system against those who work for a living

- ending the incentive to avoid tax that so many people who use limited companies to offer their services, often in competition with those on pay as you earn, exploit at present
- increasing the effective rate of tax for those on higher incomes so that we have a more progressive tax system as income equality demands
- ensuring that those with the greatest capacity to pay do so
- tackling the wealth gap.

It should be noted that we do not need to tax the wealthy to pay for public services: they can always be paid for if the physical resources to supply the service in question exist by the government creating more funding, simply by extending its credit with the Bank of England. Instead, we need to tax wealth to create a fairer society in which there is less stress and greater opportunity for all, including those with wealth.

The next sections of this chapter address tax reforms that would deliver more effective taxation of wealth, without actually introducing a wealth tax.

### *An investment income surcharge*

There is a substantial problem in the current UK income tax system. If a person earns their income from employment, what they earn is effectively subject to three forms of tax. These are income tax at 20 per cent, 40 per cent or 45 per cent, and National Insurance, which is set for those earning less than £46,384 a year (which is most people in the UK) at an employee rate of 12 per cent and an employer rate of 13.8 per cent, or 25.8 per cent when combined (UK Government, 2018a). Admittedly, National Insurance rates for those on higher earnings are reduced to no more than 15.8 per cent combined, but what few realize is that all economists agree that the employer's National Insurance contribution is actually paid by employees: their gross pay is simply reduced to allow for this cost. It is therefore fair to say that this is an effective tax paid out of employment income, with the result that those on average pay in the UK will be making marginal tax contributions of at least 45 per cent on their earnings. Slightly lower rates are paid by the self-employed and pensioners do not make National Insurance contributions on earnings, but their employers do.

Those who do not have to work for a living do not make National Insurance contributions on what they earn. So, those who can live on interest, rents, dividends, the distribution of trusts and other such sources do not pay any National Insurance contributions. As a result, a person on average earnings in the UK of around £27,200 per annum (ONS, 2018), and who enjoys the basic UK tax allowances, pays £3,070 of tax in 2018/19

tax year, £2,253 of personal National Insurance and their employer pays £2,591, meaning that their actual gross pay is really £29,791 and the overall tax rate is 26.6 per cent on that. In contrast a person earning £29,791 from rents in the year would pay £3,588 in tax and if their income came from some other forms of saving it could be less. Their effective tax rate might, then, be only 12.1 per cent. This is clearly grossly inequitable and needs to be corrected so that those working for a living do not have to pay more tax than those who do not, when equality is desired in an equitable tax system.

The way to address this is to introduce an investment income surcharge, starting with all those who are higher rate taxpayers, have income from savings or rent, and, if they are over the age of 66, have income of more than £5,000 from such sources. The tax should be charged at an additional 15 per cent on investment income alone. This was the rate at which this surcharge was levied until abolished by Margaret Thatcher in 1985. The charge would also be payable on income credited to Individual Savings Accounts (ISAs) that are otherwise tax free. My most recent estimate suggests that this charge would raise more than £6 billion in tax a year.

### *Charging capital gains at income tax rates*

One of the attractions to many of share-based savings is that the income from capital gains is subject to a reduced rate of tax (as low as 10 per cent at present and never exceeding 20 per cent, except on land and buildings). This is accrued after the offset of what is in effect an additional or second personal allowance that is currently £11,700 per annum of additional tax-free allowance that persons who can make gains can enjoy compared to those who only have income. It is estimated that the CGT allowance made available to individuals cost about £3.9 billion a year in 2016/17, which appears to have been the last time it was estimated (UK Government Assets, 2018).

It has been estimated that the amount of CGT evaded each year might be very high. For example, although 1.75 million people are buy-to-let landlords and most are likely to be investing at least in part for capital gains, the sales of only 55,000 houses subject to a CGT charge (by no means all of which need to have been buy-to-let properties) were declared in the 2012/13 tax year (UK Government, 2018a).

CGT is also subject to some exceptional reliefs. Of these by far the most important is Entrepreneur's Relief (2018). In summary, this reduces the rate of tax on the sale of a business by an individual to 10 per cent. In 2017/18 this relief is estimated to cost £2.7 billion and in most years is shared between a few thousand individuals. That spend did not encourage

new investment, risk-taking or the growth of entrepreneurial activity in the UK: it was given to those selling out of their businesses when relief is always most needed for those starting an enterprise.

These faults in the capital gains system suggest three necessary changes to CGT. First, the annual allowance should be halved: there is no reason why a person should enjoy two full equivalent annual allowances because they have the advantage of being wealthy. In the first instance this might raise at least £1.5 billion of revenue, and probably somewhat more.

Second, CGT rates should be aligned to income tax rates: there is no reason why they should be taxed at a rate lower than those who work for a living. This may now approximately double the CGT yield, which, including the adjustment already noted to allowances, might yield more than £9 billion a year (UK Government, 2018a). Third, Entrepreneur's Relief should be scrapped, yielding maybe £2.7 billion a year.

Finally, HMRC should require that all those managing the sale of land, buildings and other financial assets on behalf of clients should now report gross sale proceeds to HMRC each year as an anti-tax evasion measure. This is likely to significantly increase tax yields. A modest £1 billion is estimated: it is likely to be more. In total these changes would yield well over £10 billion a year without any detrimental impact on the funds available to UK business for investment in productive activity.

### *Council tax*

Council tax is only charged up to what is now described as Band H. There are many anomalies in the council tax system that suggest that, in the long term, it should be replaced by a land value tax. In the meantime all councils should be permitted to add at least four additional council tax bands to those already in use to make appropriate charges for those properties worth substantially more than those that might remain in Band H. These funds would go to improve local council services.

### *Inheritance tax*

There are substantial problems with inheritance taxation that require its long-term replacement. Consideration of alternatives to this now discredited tax should be a long-term Labour Party goal. In the short term a number of reliefs are appropriate for review, including restrictions on the availability of agricultural and business property reliefs. These reliefs should only be available where a clear business case can be proven for the exemption to be made available, which is not considered likely in most cases. It is estimated that £500 million of additional revenue might be raised as a result

(UK Government, 2018b). Both reliefs are subject to considerable abuse at present.

### *ISA tax relief*

ISAs permit UK resident individuals to save generous sums annually on which the subsequent income and gains are then tax free. These have been available since 1999, and it is possible for people to have an ISA portfolio worth many hundreds of thousands of pounds. It is estimated that the tax foregone as a result amounts to at least £2.9 billion a year (UK Government Assets, 2018).

There are very good reasons for suggesting that this relief delivers no net economic gain to the UK. The first reason for this is that the country does not need savings. What it actually needs is new investment, and the two are not the same thing. Overall we have a glut of savings by the wealthy (who are mainly in older generations) and a shortage of investment to create new well-paid employment in many parts of the country and for younger people. Perversely, we are subsidizing the older, wealthier generation at a cost to the people of the country who need to enjoy the benefit of government spending.

Second, ISAs, by definition, subsidize the wrong people. Those with ISAs are, by and large, those who already have considerable savings. ISAs are then in most cases tax relief for those who would either already be saving or who are already well off. When inequality, including wealth inequality, is a major issue for the country as a whole this makes no sense.

In that case ISAs have either to be abolished, which can in the first instance be achieved by stopping new reliefs, or they must be substantially redesigned. The latter might require, for example, that ISA tax relief would only be due if the sums deposited in a socially progressive account were used to fund investment in new job creation; for example, green energy supply or the building of social housing. In other words, tax relief would be aligned with social goals, which should be the core objective for all parts of the UK tax system.

### *Putting pension wealth to work*

ISAs are not the only tax relief that makes little sense. Pension tax relief suffers the same problem. Approximately 40 per cent of the UK's private wealth is stored in pension funds, all of which have attracted tax reliefs in their creation. However, given that those funds tend to save their members money and do not actually invest it to create new activity within the UK economy, this tax relief is very poorly targeted.

Two reforms are essential as a result. First, the time has come to reduce the rate of tax relief available to higher rate pension fund contributors so that the tax benefit they obtain from making their pension contribution is exactly the same as that which is enjoyed by a person who is a basic rate taxpayer. When the benefits of pension funds savings are already heavily skewed towards the already wealthy, there is no sense in the state spending considerable sums to subsidize the savings of those who are better off than average. It is not clear precisely how much high rate pension contribution tax relief costs at present (UK Government, 2015), but it has commonly been estimated to be more than 25 per cent of the total of that cost, which would suggest that it may be at least £8 billion a year.

Second, given that the total cost of subsidizing contributions to pension funds has now reached £54 billion a year (UK Government, 2018c), which is a sum in excess of spending on very many other major parts of government, then the time has come to ask whether this is money well spent. This can only be the case if the sums saved in pensions are used to generate real returns in the UK economy, that is they are put to use to create new jobs, or to build new assets, or to fund new business opportunities, or to create the infrastructure that our society now needs. To ensure that this is the case it should be a requirement that UK pension funds must invest at least 20 per cent of all new pension contributions received in assets that will result in the direct creation of new employment opportunities. This could be investment-linked government bonds to fund infrastructure, new corporate share issues linked directly to new employment creating investment opportunities or new build property. Job creation for long-term value needs to be at the heart of a rebalanced pensions sector if these funds are to play the role in the economy that we require of them. It is quite likely that up to £20 billion a year for new investment could be found in this way.

### *Other tax reliefs*

Highlighting the problems with ISAs and pension tax reliefs just hints at the scale of the issue of appraising the problems of unnecessary tax release within the UK tax system, of which there are likely to be many. An Office for Tax Responsibility should review all such reliefs, and unless strong evidence for their retention can be found all unnecessary reliefs within the UK tax system should be abolished. This has the triple goal of simplifying the tax system, ending potential abuse that all reliefs provide and raising additional revenue from those who currently enjoy them, most of whom will be in the upper echelons of the income range.

## Tackling global warming

### *A carbon usage tax*

Global warming is an issue of the greatest importance, and steps must be taken to address it, including measures within the tax system. This requires a cut in overall consumption. The UK does, of course, have a consumption tax, which is its VAT. However, this tax is in general terms regressive: those on lower incomes tend to pay a higher proportion of their incomes on this tax than those on higher income. This is unjust. As a result an alternative, progressive, consumption tax is required. What I have called a carbon usage tax (CUT) would meet this objective.

The CUT would be charged on the flow of funds through a person's bank account. The charge would be levied by the bank and would be progressive. For most people the rate would be set at zero per cent. The rate would, however, be progressive and be applied to all flows into and out of accounts, excluding those that are transfers between accounts a person has (e.g. their loan, savings, current and mortgage accounts, including those in different banks). Initially charged monthly, the CUT would be adjusted to an annual charge at each year end. Resident people who did not appear to have a bank account for CUT purposes or who could not explain their low rate of bank account usage would be tax assessed on their income.

The tax is intended to tax higher levels of consumption, as indicated by higher levels of spending, at higher rates. It is intended to reduce that consumption as a result and act as a green tax as well as an eventual replacement for National Insurance. That is important because National Insurance discourages job creation, which is observed at a time of automation when what is actually required is a discouragement of excessive use of the world's resources. What follows is a set of manifesto commitments relating to the ideas here about taxation.

- Set up a Ministry of Tax so that tax collection in the UK is finally accountable to Parliament.
- Set up a Tax Committee in the House of Commons to ensure the UK tax system is subject to proper scrutiny.
- Set up an Office for Tax Responsibility to audit HMRC and the tax gap, with this office reporting to the Tax Committee in the House of Commons. This office will be required to undertake a full efficiency review of the UK tax system.

- Reform the way that the UK tax gap is measured so that it really reflects the scale of tax losses arising in this country, and explains their causes.
- Reorganize HMRC so that its governance is not dominated by big business interests.
- Properly fund HMRC so it can undertake its work properly, including providing proactive assistance to taxpayers so that they can get their tax bills right.
- Introduce public country-by-country reporting so that large companies have to report in their accounts how much tax they pay in each country in which they operate, making them fully accountable for their tax avoidance.
- Increase the corporation tax rate to 25 per cent, with a higher rate of 30 per cent for banks and tech companies.
- Introduce a minimum corporation tax rate for multinational corporations trading in the UK, payable if they do not appear to declare appropriate profits in this country.
- Require that all companies file their full accounts on public record so that no company can escape the responsibility of paying the tax that it owes.
- Require that all the UK's tax havens replicate the new standards of transparency required of UK companies, including full accounts and ownership details on public record.
- Make the directors of companies that do not file accounts or corporation tax returns as required by law personally responsible for the tax debts of their companies.
- Reintroduce a 50 per cent top rate of cinema tax.
- Remove the UK's domicile rule so that it is no longer a tax haven for those whose long-term home is claimed to be in another country.
- Introduce an investment income surcharge of 15 per cent on all unearned income in excess of £2,000 a year to be the equivalent of National Insurance paid on income earned from working.
- Align the tax rates on CGT and income tax and reduce the annual allowance for CGT.
- Remove CGT Entrepreneur's Relief.

- Reduce ISA tax relief and only permit it on investments in new green infrastructure, social housing and activities that create new jobs.
- Reduce the tax relief on pension contributions and charitable donations to the basic rate of income tax so that there is a level playing field for all.
- Review all other savings and investment tax reliefs and eliminate those that do not deliver proven economic benefit for society at large.
- Remove inheritance tax and agricultural property relief, and restrict inheritance tax business property relief to those cases where it can be shown that this is essential for the perpetuation of the business.
- Commence planning for a replacement for inheritance tax that would be charged on the recipient of gifts.
- Plan for the introduction of a progressive carbon usage tax to tackle the impacts of excessive consumption by the best off.

In Part 2 of the book, the various authors consider some but not all of the contexts that policy and policy implementation are necessarily embedded within: economic, affiliational, ecological and philosophical framings.

## References

- Baker, A. and Murphy, R. (2017) 'Re-framing tax spillover'. Sheffield Political Economy Research Institute blog, 14 March. Online. <https://tinyurl.com/y385h439> (accessed 15 March 2019).
- BBC News (2018) 'David Cameron and George Osborne hail plan after UK deficit target met'. *BBC News*, 2 March. Online. [www.bbc.co.uk/news/uk-politics-43254809](http://www.bbc.co.uk/news/uk-politics-43254809) (accessed 15 March 2019).
- Clark, T.G. (2012) 'The maxed out national credit card false analogy'. Another Angry Voice blog, 4 June. Online. <https://tinyurl.com/yyzeq9zr> (accessed 15 March 2019).
- Murphy, R. (2003) *A Proposed International Accounting Standard Reporting Turnover and Tax by Location*. Basildon: Association for Accountancy and Business Affairs. Online. <http://visar.csustan.edu/aaba/ProposedAccstd.pdf> (accessed 15 March 2019).
- Murphy, R. (2014) *In the Shade: The UK's missing economy*. Downham Market: Tax Research UK. Online. <https://tinyurl.com/y5dembrl> (accessed 15 March 2019).
- OECD (Organisation for Economic Co-operation and Development) (2013) 'Automatic Exchange Portal: Country-by-country reporting'. Online. <https://tinyurl.com/yd5gw34z> (accessed 15 March 2019).

- ONS (Office for National Statistics) (2018) 'Nowcasting household income in the UK: financial year ending 2017'. Online. <https://tinyurl.com/ycjas6ws> (accessed 14 June 2019).
- Tax Justice Network (2018) *Financial Secrecy Index 2018: Narrative report on the United Kingdom*. Chesham: Tax Justice Network. Online. [www.financialsecrecyindex.com/PDF/UnitedKingdom.pdf](http://www.financialsecrecyindex.com/PDF/UnitedKingdom.pdf) (accessed 15 March 2019).
- UK Government (2013) '2013 Lough Erne G8 Leaders' Communiqué'. Online. <https://tinyurl.com/k7pkscg> (accessed 15 March 2019).
- UK Government (2015) '2010 to 2015 government policy: UK Overseas Territories'. Online. <https://tinyurl.com/yx8lvjbn> (accessed 15 March 2019).
- UK Government (2018a) 'Measuring tax gaps'. Online. <https://tinyurl.com/y6t5nt2j> (accessed 4 May 2019).
- UK Government (2018b) 'Estimated costs of principal tax reliefs'. Online. <https://tinyurl.com/yxrbmuvo> (accessed 4 May 2019).
- UK Government (2018c) 'PEN 6: Cost of pension tax and NICs relief'. Online. <https://tinyurl.com/y6b6xac4> (accessed 4 May 2019).
- UK Government Assets (2018) 'Budget 2018: overview of tax legislation and rates (OOTLAR)'. Online. <https://tinyurl.com/yc7okudh> (accessed 4 May 2019).