

Tax justice positive 5: Simplicity in taxation legislat...

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Tax justice means being in favour of simplicity in taxation legislation. This requires that:

- a. Tax legislation is purposive;
- b. The interpretation of taxation law is undertaken on equitable principles;
- c. A general anti-avoidance principle is in operation;
- d. Pre-transaction rulings are available (although not necessarily without charge).

Being in favour of simplicity in taxation legislation means that we are opposed to complex tax legislation. Complex tax legislation involves:

- a. Use of a legal basis of interpretation of tax law, so encouraging the abuse of rules;
- b. Using the literal meaning of words as the basis of taxation law, even though that meaning changes over time;
- c. The use of detailed anti-avoidance rules that result in ever escalating loopholes;
- d. The failure to recognise context as simply can in the interpretation of taxation law;
- e. Recognition of the legal form of a contract as the only issue that matters in determining its validity for taxation purposes;
- f. Blocking the use of equitable interpretation in taxation matters.