

Tax injustice includes not paying tax

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I spoke at the [Compass rally for tax justice](#) last night — and enjoyed the event.

One story said a great deal. Cathy Cross — a strong campaigner for tax justice with [PCS](#) gave a very real example of tax injustice in the UK.

PCS is campaigning — rightly — against the closure of local tax offices. The absurdity of what is happening was explained by Cathy from an example she knows of in Great Yarmouth, Norfolk. The tax collection team sit on one floor, the tax credit collection team sit on the floor below. The tax collection team are to be axed with the whole of the office. They have been told that a reason for their being axed is that they no longer need to collect tax debts of below £20,000. they are being ignored.

The tax credit collection team on the floor below are still in business. They are instructed to aggressively collect tax credit overpayments of £200 and more.

I believe Cathy's story.

This is tax injustice. Collecting tax owing is part of tax justice. £200 of unpaid tax is more important than £200 of overpaid tax credit being reclaimed. The latter may, after all, be official error. The former is taxpayer omission.

It is our government's duty to create tax justice — a level playing field where all are treated equally. Where those who owe tax are not only assessed but are required to pay. Turning a blind eye is not acceptable. And don't argue it is not economic to collect tax — the average HMRC tax collector brings in 300 times their cost of employment — they're amongst the most efficient people in the whole economy on that basis.

As was said at the Tax Justice rally — this is an issue of reframing how we look at tax. The government has got the language wrong. As I said in the TUC's [The Missing Billions](#):

Tax evasion is criminal behaviour. It has to be tackled using a variety of means.

The first is to make clear that tax evasion is a crime. Those who perpetrate this crime

very often do not see it as such, not least because they cannot identify a victim of their activity.

The government needs to make clear time and again that this is not so: we all suffer as a result of this criminal activity. This has not been sufficiently emphasised by governments over many years. Whilst benefit abuse is clearly labelled as a crime by calling it benefit fraud, similarly emotive (but appropriate) language is not attached to tax evasion. Indeed, the very fact that the term tax evasion is used is itself indicative of the nature of this problem. A majority of people seem unable to tell which of tax avoidance and tax evasion is legal and which is illegal, and there is no obvious reason why they should. To use substantially more explicit language is an essential pre-requisite of tackling tax crime.

A change in the language of government is essential if this is to happen. One particular change is essential if this is to happen. Politicians have a habit of describing tax due as being the taxpayer's money. They talk about taxes as if they still belonged to the person paying them. As such they encourage the view that a person not paying a tax is simply keeping money that is rightfully their own. This can be contrasted, again, with benefit fraud where it is seen that the recipient (who is pursuing an activity fundamentally similar to tax evasion) is undertaking a much more serious crime because they are taking someone else's money i.e. the governments. That is not true. In both case the money secured for private benefit is the government's because tax that is due by law to a government is not the property of the taxpayer at all; it is a debt owing to the State. To retain it is therefore to steal someone else's money. The taxpayer only has legal entitlement to their after tax income. Language has to change in this respect if the message that tax evasion is an abuse of society as a whole is to be created.

One further change is necessary to complete the change required in the language of government. Put simply, tax has to be promoted as a "good" rather than as a "bad". A government agency, National Savings and Investments promotes "tax free" savings using this language:

You have worked hard for your money...make it work harder for you. With no income tax to pay on the investments shown below, you get to keep all your returns.

This is, of course, indication of the trait noted above, where it is suggested that a taxpayer has the right to keep all their income. But there is a more subtle message implicit in this use of language, which is that tax is both a bad thing, and avoiding it is a socially appropriate act. If the government is to change the culture surrounding the payment of tax in the UK then this approach has to change.

Not paying tax due is tax evasion, just as much as not declaring tax due is tax evasion.

Tax justice demands that these issues be addressed.

Not least because right now according to PCS there is £25 billion of unpaid tax inn the UK.