

Tax system penalises single income households

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This is the shocking revelation from Grant Thornton (Mike Warburton) and the ACCA (Chas Roy-Choudhury) in the [Sunday Times](#).

The piece is written as if this is shocking. Have these two not noticed that those who can afford to have one working spouse get what many in society consider to be benefits as a result, and that this imbalance is, therefore, appropriate?

I see all around me the cost of two working parents. Of course they should pay less tax - their child care costs a lot more, for one thing.

But that's not how the ACCA see it. For them this is a tax planning opportunity. Roy-Choudhury says:

The income-splitting measure has clearly been put into the long grass – the government can't work out how to unwind these schemes.

It is good news for single-income families who will be increasingly looking to minimise their tax burden by taking advantage of their spouse's personal allowance or looking to convert their income into dividends or gains.

According to the papers in the budget, measures to defer income-shifting arrangements cost the Revenue £500m.

But note the ACCA thinks this is 'good' government spending to be encouraged.

Yet again I despair of professional ethics.