

PWC say Northern Ireland should not cut tax rate

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I have [written more than I ever expected](#) to on the proposal that Northern Ireland should cut its tax rate to 12.5% in an attempt to emulate the financial success (!) of the Republic of Ireland. In a nutshell, I am quite sure the policy would be an outright disaster, and may not even be legally possible.

Support comes from an unlikely quester today, [according to the Belfast Telegraph](#):

Cutting Northern Ireland's rate of corporation tax is unlikely to attract significant volumes of new overseas investment, a report has claimed.

Business advisers PricewaterhouseCoopers (PwC) describe cutting corporation tax as a "relatively blunt instrument" in the latest shot across the bows in the debate over bringing the main 28% rate into line with the Republic's 12.5%.

As part of the report 'Corporation tax - game changer, or game over?' PwC surveyed tax regimes in 182 countries. The survey showed that the UK, including Northern Ireland, had the sixteenth most business-friendly regime despite having a higher corporation tax rate than many other countries.

PwC also said that matching the Republic's corporation tax rate could cost the Assembly around £280m a year, with no certainty of an equivalent uplift in new foreign direct investment.

I am delighted they have had the honesty to agree.

This policy proposal really does look like dogma gone mad.