

# Tax is at the core of our well being, and until we real...

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The Guardian [has reported this morning](#) that:

[The Tote](#), the government-owned bookmaker, is braced for a backlash over plans to move a portion of its business offshore and reduce its tax liabilities in the process. Despite being fully state-owned and operated since its foundation in 1928, the Tote yesterday admitted it plans to filter bets placed with third-party, offshore bookmakers through its Guernsey outpost in a move that would sidestep income tax.

It is quite extraordinary that a government owned agency should undertake such action. It would do so to attract bets from offshore activity run by commercial bookmakers, many of whom have already fled the UK for the simple reason of avoiding tax, although they do at the same time also avoid the obligation to make contribution to the funding of horseracing in the UK upon which their industry depends.

Now please don't get me wrong: I don't bet, and have been (I think) to one race meeting in my life, and that was actually to see Jools Holland who was performing after the racing was over. In that sense, whether or not there is a horseracing industry in the UK is a matter of some indifference to me. Tax avoidance is, however, a matter of particular concern to me, about which I wrote the following, yesterday:

*HMRC is unlikely to deliver a programme of tax compliance without significant additional political support being supplied to it by the government and politicians of all parties. A culture where taxes seem to be “a bad thing” has been allowed to develop within the political parties of the UK, best exemplified by the fear of increasing the rate of income tax even when fiscal and social policy might require it. In this environment politicians implicitly endorse a strained relationship between HM Revenue and Customs and taxpayers in the United Kingdom, where a culture of tax non—payment is apparently endorsed by describing tax as a cause of social harm e.g. in restricting growth, undermining enterprise, acting as a disincentive to work, and to harming a culture of saving. This culture, and this representation of tax, is wrong. Tax is the bedrock on which we have built Western democratic states and mixed economy capitalism, where the interaction of a strong state supporting private enterprise through*

*the protection of property rights in a regulated market space in which people can trade with confidence, knowing that a safety net has been provided by the state so that if markets, services, or personal circumstances fail the consequences will be mitigated has given rise to an environment in which prosperity of a previously unknown level has been enjoyed. All that, however, is conditional upon the payment of tax and politicians have the duty to support HM Revenue and Customs in collecting the taxes that are owed, as required by Parliament. It is an obligation in which politicians have not played a full part and it is beholden upon them to now play their full role in this relationship if a tax compliant environment is to be created in the United Kingdom in the future.*

This necessary culture of supporting the payment of tax clearly does not exist when we have a state agency blatantly seeking to avoid tax.

No wonder our government, our politics and our deem racy is in a mess. Tax is at the core of our well being, and until we realise it we're in deep trouble.