

How to deal with the non-Dom problem

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I was rung by numerous organisations yesterday wanting to ask my opinion on non-domiciled and taxation. The story reappeared [in the press at the weekend](#) with the suggestion being made that George Osborne is considering reducing the seven year period which can elapse before a non-domiciled person has to pay a levy make use of this status to reduce their tax liability in the UK.

I pointed out that the real issue is not the problem of the domicile rule, however significant that is. The real problem is the fact that the UK does not, at present, have an effective residence rule, and many people cannot be quite sure whether they have become resident, or non-resident in the UK as a result of legal ambiguities that now exist as a result of conflicting court decisions. This is a much bigger problem, not least because it has serious impact upon those coming to the UK to work, and leaving to work elsewhere.

There is a solution to this problem. [It can be found here, and I recommend it.](#)

Disclosure: I advise the TUC on tax issues.