

## Tackling tax evasion

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[The Guardian](#), amongst others, reports [HMRC's plan to get tough on persistent tax evaders](#), and at the same time notes my concern about the scheme.

The scheme targets persistent tax evaders, requiring them to be subject to extra monitoring. This in turn can lead to increased risk of penalty, prosecution and adverse publicity.

One problem with the scheme is the low threshold for monitoring: £5,000 is low. Of course it's significant in terms of some people's income - and I'm not denying for a minute the relevance of monitoring those with low income, but this does not seem the best targeting of resources. As the Chartered Institute of Tax also points out - on this criteria many companies are persistent offenders, always, due to technical disputes, but which end in adjustment in favour of HMRC. Candidly, there are better yields to be had. A monetary limit seems arbitrary in these cases

But the biggest problem is not that: it's that the big issue is that HMRC have such limited resources. Wouldn't it be better that significantly more resources were dedicated to ensuring many more people get their tax right in the first place, and to developing procedures that make it much harder to evade? I have a very strong feeling that this is a programme designed to tackle the problem after the horse has bolted. Wouldn't it be better to stop it getting out in the first place? This requires more, better trained people at HMRC. And it requires better information being supplied to HMRC.

It's an issue I'll be returning to over coming weeks.