Does the Treasury have any clue how big the tax gap is?...

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I'm wading my way through the tax avoidance announcements in the Budget today - which are as clear as mud and about as useful.

When doing so though some very obvious issues have arisen on the government's estimates of the tax gap.

Take this from the Chancellor's speech:

HMRC estimate that £14 billion was lost through avoidance and evasion in 2008.

That is as recent as it gets. And it's much nearer my estimate of £25 billion of avoidance than anything they have admitted before.

Then move to the document on tax avoidance, published today:

HMRC's latest estimate of the tax gap (for 2008-09) is £42 billion. Avoidance by using the tax law to get a tax advantage that Parliament never intended is estimated to account for 17.5 per cent of the overall tax gap.

Hang on. George has already said it's £14 billion. That's 33% of £42 billion in my maths. Who is right?

But from the introduction by my old friend David Gauke I note says:

We inherited a tax system with a â€šÃ„Ã²tax gap' of around £40 billion. More than a sixth of that is due to tax evasion — that is, illegally understating tax liabilities. But a further one sixth is estimated to be due to tax avoidance — that is, reducing tax liabilities by using the tax law to get a tax advantage that Parliament never intended.

So a slightly different tax gap - only one third of which in total is explained now by tax avoidance and tax evasion - which really does leave you wondering what the rest is.

And Gauke is saying just £7 billion is avoidance - which puts him in direct conflict with his boss.

All of which makes the following comment in the report quite interesting:

Others have suggested that both the overall tax gap and the amount attributable to avoidance are a lot higher. The Government believes that those higher estimates are based on flawed methodology. Calculating the tax gap is not an exact science, but HMRC's estimates are based on detailed taxpayer information, are in line with international comparators and make allowance for use of tax reliefs as intended by Parliament. What is clear, even allowing for a degree of caution about the estimates, is that tax avoidance is one of the biggest elements of the tax gap and needs to be tackled.

I think that's pretty personal - and that I'm the "other" in question.

I say the tax gap excluding unpaid debt is about £95 bn.

Well if George is right and avoidance is £14 billion (and I'm not arguing with the Chancellor) and Gauke is right that that's one sixth of the whole that suggests a combined total of £84 billion - close enough to my estimate to make no difference. Immaterial as we accountants would say.

And a lot more consistent than anything the government could say today.

Which amuses me, well, quite a lot.

It's really hard isn't it guys? Especially when you're going out of your way to seriously understate it persistently, even if inconsistently.