

The budget: the biggest boost in the arm for the tax ab...

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[From the Guardian this morning:](#)

George Osborne has been accused of making "token gestures" in his attack on [tax avoidance](#) after the chancellor pledged in his [budget](#) speech that a crackdown would boost receipts by £1bn.

Richard Murphy, a director at Tax Research UK, said: "I can't remember a chancellor who didn't say in a budget that he was going to raise £1bn by tackling tax avoidance. £1bn is the average raise. These are token gestures. If he was really serious, he would give HM Revenue & Customs a couple of billion a year to tackle this. I reckon they could raise £20bn.

In the [2009 budget](#), the then chancellor, Alistair Darling, said: "We have identified loopholes and schemes which, when closed, will result in £1bn of extra revenue over the next three years." In the run-up to last year's general election, the [Liberal Democrats promised to find more than £12bn](#) by cracking down on tax concessions and loopholes.

Tax avoidance cost HMRC £14bn in 2008, Osborne said as he announced a clampdown on tax avoidance by the better-off. Measures to bring in higher tax revenues to close Britain's budget deficit include plans to close down three forms of stamp duty land tax avoidance, reforms to capital gains tax and an assault on rarely repaid lifetime loans handed out by companies to their key executives.

The chancellor told the House that his measures would "raise £1bn and £4bn over the parliament" in the harshest attack "on tax avoidance in any budget in recent years".

The £1bn figure follows Osborne's announcement in December that he would [boost tax receipts by £2bn over the next four years](#). He now believes tougher enforcement by HMRC and additional measures will double that figure.

Tax experts say there are many areas in which HMRC could claw back duties. In a report published this month, Tax Research UK stated that the country is [missing out on](#)

[£16bn in taxes](#) because little is known about more than 500,000 companies that were dissolved in the year to March 2010, which often "disappeared forever".

To [quote another part of the Guardian this morning](#):

Chancellor George Osborne has been accused of providing a "boost" for the UK's [tax avoidance](#) industry despite announcing a crackdown on the practice that would raise tax receipts by £1bn.

Richard Murphy, a director at Tax Research UK, said: "Will this [budget](#) help beat tax avoidance? No, it won't. It's the biggest boost in the arm for the tax abuse industry that it's had in a long time. Osborne knows who his friends are. I can't remember a chancellor who didn't say in a budget that he was going to raise £1bn by tackling tax avoidance. A billion pounds is the average raise. These are token gestures. If he was really serious, he would give HM Revenue & Customs a couple of billion a year to tackle this. I reckon they could raise £20bn. I am completely underwhelmed."

Murphy fears that "tax planning opportunities" will have increased almost "endlessly" because of changes in the budget such as the taxation of money being brought onshore by non-doms and tax cuts for businesses' foreign operations.

To list the new opprtunities:

- a) Massive will rewriting required for gifts to charities to abuse Inheritance tax;
- b) There will be a proliferation of small new charities - and HMRC and the Charity Commission have no resources to monitor them. Expect evasion to increase dramatically - it's already a problem;
- c) Increase in enterprise incentive scheme allowances - and a big new marketing push for them (which helped create the dot.com boom);
- d) New rules for non-doms to bring in cash;
- e) Massive overseas opprtunities for planning under new controlled foreign company rules;
- f) A rush to exploit the new 5.75% offshore treasury function rules for companies.

Oh, what happy days George has made for the tax avoiders.