Funding the Future

How to waste Â£280 million: cut corporation tax in No...

Published: January 13, 2026, 4:34 am

I know I keep blogging about the folly of Northern Ireland wanting to cut its corporation tax rate of 12.5%, but I admit that I have a preference for being wise before the event, and this is a policy that is bound to go wrong for reasons that I've explained here.

It is good to see however that I (and the ICTU and TUC) are not alone in this opinion. I'd warmly recommend a report from Mike Tomlinson and Grace Kelly from the Poverty and Social Exclusion in the UK Northern Ireland research team, based at Queen's University, Belfast, which comes to the same conclusion considerably more eruditely than I might have done.

As they conclude:

The main debate over economic strategy has been about lowering the rate of Corporation Tax. Our consideration of this issue concludes that to cut the rate to 12.5 per cent would be a poor use of £280 million per annum with little certainty of significant job creation.

Absolutely.