

# HMRC won't be able to square the circle of collecting t...

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I [see the National Audit Office has said](#):

*HM Revenue & Customs faces a significant challenge in securing a £1.6 billion reduction in running costs over the next four years, at the same time as increasing tax revenues, improving customer service and achieving reductions in welfare payments, according to a report today by the National Audit Office.*

That's an understatement.

They might just as well have said they can't do it - because that's the reality.

Worse, the harm of trying is going to be high. [I note this](#):

*OVER a quarter (26 per cent) of large businesses are considering a full or part relocation abroad, with Britain's high and complex taxes remaining their main cause for complaint.*

*More than half (58 per cent) of the businesses eyeing a move to foreign shores cited tax issues as a leading factor, according to research by HMRC.*

*Around one in five (19 per cent) of those considering a move cited general business tax issues as their primary complaint, while 13 per cent said that more favourable tax conditions in other countries had prompted them to consider a move.*

*Over three quarters (78 per cent) of HMRC's "large business service" customers said that the administrative burden of tax compliance had increased from 2009 to 2010.*

Read between the lines - that says poor service is driving people away. Not tax rates. And that's the fault of the people at HMRC - there's just not enough of them.

[It's economic suicide to cut tax staff when you need every penny of tax revenue you can get.](#)

Recruit more people now: that answer is simple. Let's cut this deficit. Not increase it.