

Tax farming on its way back? The privatisation of HMRC ...

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The tax gap has been a big issue over the last few years. From being virtually unrecognised at the time I wrote [The Missing Billions](#) for the TUC in 2008 it is now, officially, the number one priority of H M Revenue & Customs. And this year they [claim that they have succeeded](#) in reducing it. Except they didn't: all that happened was that the VAT rate went down in the period on which they based their estimates, but as it has risen a lot since then so will [the tax gap have gone up too](#).

Now rumour reaches me that HMRC are to have a big push to close the tax gap early in the New Year but they're so lacking in confidence that plan B for failure is already being put in place, and that's to outsource significant parts of the operations of HMRC. Rumour has it within HMRC that one of the Big 4 may get the job of collecting tax. There's a case of the fox being put in charge of the chicken run if ever I heard of one.

But the whole rumour also has an awful feel of truth about it. It fits with all the Conservatives' ideas. And it also smacks of the desperation that pervades the end of the neoliberal idea. Tax farming - the business of tax collecting for profit - has always discredited government. It's gone on for thousands of years - it's what the tax collectors in the Bible did, and just why they were hated. And it always reeks of corruption. Because that's what it is.

The trouble for them is that people know that to profit from a public right is ethically wrong. But the Tories don't understand ethics and that's why I'm not at all surprised the privatisation of HMRC is now on their agenda.

Bet let me assure them: if people don't like paying HMRC they're going to resent a part of their tax going to profit the Big 4 firms of accountants a lot, lot more.