

The 5 Rs and 10 Cs of a good tax system

Published: January 13, 2026, 4:34 am

There [are demands in the press today](#) that the left think out just what it wants from our tax system.

I have already explained that there are 5 Rs for raising tax. Tax is used to:

1. Raise revenue;
2. Reprice goods and services considered to be incorrectly priced by the market such as tobacco, alcohol, carbon emissions etc. and by providing tax reliefs e.g. for childcare;
3. Redistribute income and wealth;
4. Raise representation within the democratic process because it has been found that only when an electorate and a government are bound by the common interest of tax does democratic accountability really work; and finally to facilitate:
5. Reorganisation of the economy through fiscal policy.

If tax justice is to prevail taxes must be set taking all these considerations into account.

But motive is not enough, of course. The tax system has also to be efficient. There are 10 Cs to this. An efficient tax system is:

- * Comprehensive — in other words, it is broad based;
- * Complete — with as few loopholes as possible;
- * Comprehensible - it is as certain as is reasonably possible;
- * Compassionate — it takes into account the capacity to pay;
- * Compact — it is written as straightforwardly as possible;
- * Compliant with human rights;
- * Compensatory — it is perceived as fair and redistributes income and wealth as

necessary to achieve this aim;

* Complementary to social objectives;

* Computable - the liability can be calculated with reasonable accuracy;

All of which facilitate the chance that it will be:

10. Competently managed.

In combination these are key attributes of a good tax system.

There's [more on this here](#).