

We need to pay tax whistleblowers

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As the [Telegraph reported this morning](#):

HM Revenue & Customs has been handing out hundreds of thousands of pounds a year in the little-known bounty payments as public concern about who pays their fair share has grown.

Rewards to members of the public rose by more than a fifth, to £374,000 in 2011-12, compared with the previous financial year, HMRC figures released to Exaro, an investigative website, show.

It's been suggested re than £40 million was recovered as a result - suggesting payments may be less than 1% of sums recovered.

No wonder the system does not work well enough. [Compare with the USA](#):

*You've probably read about IRS whistleblowers cashing in for reporting suspected tax fraud. It may **seem** to be a**new** development, but IRS whistleblowing incentives started in 1867! Still, big changes in 2006 raised the stakes materially, adding new Section 7623(b).*

Under it, awards to whistleblowers are no longer discretionary. Now, the whistleblower "**shall**" receive 15 to 30 percent of the collected proceeds. That's **shall, not may**.

Now there are still problems with their system, but the reality is that we have a long history of paying for information that leads to the successful prosecution of crime and we are talking about crime here for that is what tax evasion is.

And that's why I think we should have a stronger and more formalised system here so that those who know of tax abuse have an incentive to report it and the risk for those doing it is increased.