

No government that creates a 5.5% tax rate for multinat...

Published: January 13, 2026, 7:14 am

OK, I accept it's fairly obvious Seamus Milne of the Guardian and I have been talking when reading his [column this morning](#) but what the heck? It's good to see this story hitting the media again:

Cameron and Osborne wring their hands at the "moral repugnance" of "aggressive avoidance", but are doing nothing serious about it whatever. They've been toying with a general "anti-abuse" principle. But it would only catch a handful of the kind of personal dodges the comedian Jimmy Carr signed up to, not the massive profit-shuffling corporate giants have been dining off.

Meanwhile, ministers are absurdly slashing the tax inspection workforce, and even introducing a new incentive for British multinationals to move their operations inbusiness to overseas tax havens. The scheme would, accountants KPMG have been advising clients, offer an "effective UK tax rate of 5.5%" from 2014 (and cut British tax revenues into the bargain).

It's not as if there aren't any number of measures that would plug the loopholes and slash tax avoidance and evasion. They include a general anti-avoidance principle (of the kind the Labour MP Michael Meacher has been pushing in a private member's bill) that would outlaw any transaction whose primary purpose was avoidance rather than economic; minimum tax (backed even by the Conservative Elphicke); and country-by-country financial reporting, and unitary taxation, to expose transfer pricing and limit profit-siphoning.

I am we'll aware that we have a government resistant to tax change in the UK right now, but governments always react to change in society and rarely create it. The demand for corporate tax reform is growing now to the point where change will have to happen: that's the key issue here. That, and the fax that the resentment at a government creating 5.5% tax rates for multinational companies will be considerable, and it is such things that persuade people of the commitment of a government to fairness, or not, when voting.