

Tax avoidance is cheating. Nor is it legal

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Some people don't seem to like me calling tax avoiders cheats. Well, I am unapologetic: that is what they are.

Remember, there is not a hint of difference between HMRC's definition of tax avoidance and mine (even if they don't consistently apply it). We agree that tax avoidance involves taking steps to secure a tax advantage never intended by parliament. This means avoiding the intention of the law - hence the name 'tax avoidance'. And if getting round the law (because to avoid something is to get round it) is not cheating then I am not sure what is.

Now I know those who defend tax avoidance say it is legal, so what is the problems? Actually, the problem is that tax avoidance is not necessarily legal, and no one can claim it is. It may not be illegal, but that's a long way from being legal.

There is no simple black and white dividing line between legal and illegal. There is a massive grey area between the two where no one can be sure whether things are right or wrong, legal or illegal, permitted or unacceptable.

It is in this grey area of uncertainty that tax avoidance exists. More than that, it is this uncertainty that it exploits. And it does so deliberately. But that uncertainty means no one can be sure that tax avoidance is legal, because by definition it has not been permitted by law, so that claim cannot be made.

And the decision to work in this grey area of uncertainty is a deliberate one that reflects a decision to free-ride the system knowing that this may create an outcome never intended by law and of uncertain legality.

If that is not cheating I am not sure what is.