

If companies cannot pay tax then nor can they make prof...

Published: January 14, 2026, 10:01 am

I gave evidence before the House of Lords last week on the Finance Bill 2013 and the General Anti-Abuse Rule in particular. [A transcript is here](#).

Let's leave that particular issue aside for a moment and note instead that Bill Dodwell of Deloitte and the Chartered Institute of Tax made the claim:

There is one of the challenges: companies do not pay tax

This is one of the regular claims of those who love corporate tax dodging: if they can say companies don't pay tax then they can, of course, claim they can't dodge tax. It's a terribly convenient idea much beloved of the political right and the Oxford Centre for the non-Taxation of Business. The essence of the argument is that since companies are just a pile of legal contracts between people they don't really exist as such and only really people can pay tax for them.

Oddly the claim seems only to ever relate to tax paid. But let me re-present the argument, first like this:

Companies do not make profits

Isn't that obvious Bill? If companies can't pay tax then surely they can't make profits, can they? In which case all that reporting suggesting they do make profit is just wrong - and every single audit report Deloitte has ever signed off saying that accounts showing profits made are true and fair is also straightforwardly fraudulent since according to the argument that companies can't pay tax never once was the profit made by a company. I hope Dodwell now has the decency to say so.

Let's try another reformulation:

Because companies can't pay tax they should be taxed as if they're individuals under income tax rules at income tax rates on their worldwide income just like all other natural people

Now that, I think, works nicely. A UK company pays UK income tax rates now at standard tax rates of 50% and shortly to be 45% on their worldwide income wherever arising and whether remitted or not to the UK and let's stop all of this nonsense about territorial taxes, remittances, and so on for companies. Let's create a level playing field. That should give Bill Dodwell something to think about.

Alternatively he and others who claim companies can't pay tax might like trying to tell the truth, which is that they can, they do, and if they don't the burden is shifted onto others.