

Osborne's giving away Â£58 billion to big business ov...

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The scale of George Osborne's tax giveaway to big business [became very much clearer in yesterday's budget](#). The headline tax collection forecasts are as follows:

Income tax is forecast to grow 30% between 2011-12 and 2017-18.

Corporation tax is forecast to fall despite the fact that economic recovery is anticipated and corporation tax receipts always go up disproportionately in a recovery.

If corporation tax went up by as much as income tax in this period receipts should be at least £56 billion in 2017-18.

They will actually be about £39 billion. That's more than £16 billion given away in that year. The cumulative figure is worse. Just assuming that corporation tax maintained a collection ratio with income tax over this period (and it should improve) the cumulative loss is explained by this table:

Over six years George Osborne is going to give £58 billion to big business - who are already sitting on a cash pile of [more than £700 billion](#). That's cash given to business it does not need, has no use for and will not invest.

And how is this happening? Mainly by making the UK a tax haven and by refusing in future, in the main, to tax any income arising outside the UK in this country. That policy will be costing the UK more than £9 billion a year by 2017.

In the circumstances the claimed tax recovery from tax havens over this period of £1

billion looks very small indeed.