

Tax avoidance: a lame effort by George Osborne

Published: January 13, 2026, 3:21 pm

The schedule on the implications of tax avoidance and evasion measures in the budget are interesting.

First, excuse my cynicism for thinking they just happen to exceed £1 billion a year: we will, of course, never know.

Second, note the official estimate of losses to the Crown Dependencies. I suspect these are low.

Third, the scale of partnership abuse - where LLPs in particular (and lawyers even more particularly) make people who are really employees partners to save NIC is bigger than I ever imagined (sorry for missing that one - although see yesterday's post on the much bigger problem in companies).

Fourth, oddly the Revenue show little faith in the GAAR and are still producing specific tax avoidance rules to target corporate tax abuses. If we had a general anti-avoidance principle neither this of the LLP rules would be needed: despite my current (ambargoed) work on the general anti-abuse rule I remain quite convinced of this, as seemingly are HMRC.

Note also how limited the general anti-abuse rule is going to be in impact terms, supporting all I have said about its far too limited scope in the face of the tax abuse problem.

And note that penalties in tax cases are meant to collapse. I have no idea why.

But when the tax gap is £95 billion this is a lame effort, and it's important to say so.