

Tax and morality

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I have no doubt that many accountants, lawyers, bankers and company directors will dismiss [yesterday's call by the Observer](#) for a moral crusade against tax abuse on the basis that morality has no place in tax.

It is an [argument heard time](#), [after time](#), [after time](#). And it is always wrong.

The argument relies upon the assumption that tax evasion is illegal and tax avoidance is legal and that anything legal is therefore acceptable and so may be done.

There are many things wrong with this argument.

First, it is no longer true that all tax avoidance is legal. The General Anti-Abuse Rule has changed that, forever. Tax avoidance and legality can no longer be equated.

In that case tax avoidance and morality cannot be equated, even if legality and morality had equivalent status.

But of course legality and morality have never been equivalents. Those who argue they are either offer the defence of the soldier 'only following orders', which has never been acceptable in law, or instead imply we should do anything that's legal. We all know of things that are legal we would never countenance doing.

So we exercise choice. That's inherent in our free agency which underpins our model of personal responsibility for our actions.

And no one has to use a tax haven.

No one has to find and exploit loopholes in the law.

No one has to hide their actions from view when they should be accountable for them.

No one, least of all someone of means, needs to free-ride a system.

Those are all choices. They are moral choices. They are wrong choices.

But never deny that a person making that choice is exercising moral judgement, even if it is bad judgement. And never accept the excuse of the person doing so that there is no morality in taxation. That's just their excuse for their own misconduct. That the excuse is made so often is so the best indication there is of how common that misconduct is.