

It's time HMRC started applying the standards required ...

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An odd dispute has broken out between the Local Government Association and HMRC on who is the better tax collector; central, or local government. The LGA claims they collect 97.5% of all council tax due, contrasting this with the Revenues wildly optimistic estimate that they collect 93.25% of all tax owing, which is only true if their ludicrous estimate of the tax gap (which fails to take into account people who don't submit tax returns, of the avoidance of Google, Amazon and Starbucks) is to be believed.

To compound matters, HM Revenue & Customs has had the temerity to say the LGA are wrong. As [the BBC has reported](#):

An HM Revenue and Customs spokesman said: "The LGA have fundamentally misunderstood the nature of the tax gap which is not a measure of tax unpaid.

"In fact HMRC already collects 99% of all taxes and duties which are collectible from a very wide customer base of 60 million taxpayers, increasing our tax take by £1.4bn to £475.6bn in the last year alone. On average we collect £1.3bn a day for the UK."

This is so ludicrous it is almost laughable. First of all the tax gap does include unpaid tax: it always has and so this claim is just straightforwardly incorrect.

Secondly, defining your tax recovery rate as a percentage of the tax you can recover does of course completely miss the point: if you define your recovery rate in proportion to the cash you're paid the answer should of course be 100% (I expect the difference here is bounced cheques).

It really is time the Revenue signed a declaration on their press releases similar to that which all of us have to put on our tax returns, which says:

I declare that the information I have given on this tax return and any supplementary pages is correct and complete to the best of my knowledge and belief.

Non one could have done that in this case.

Hat tip: Matt Sisson