

Fracking and tax

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The history of the extractive industries is riddled with corruption. Some is on a grand scale. Some is petty. Some definitely involves paying people off using public money - as the offer to local authorities of a small cash bonus if they permit fracking in their area appeared to be yesterday.

But in every case the corruption is essentially about capturing the rents due from the extractive industry to the state, usually in the form of a royalty and sometimes in the case of a profits tax.

In the UK [we have set this tax rate especially low](#). There will be little tax bonanza for the UK as a result. There will be for big business.

We blew North Sea oil's potential to build our future. If we have to frack (and I am not convinced) surely we are not going to blow the tax again, are we?