

Why tackling tax abuse should be so high on the economi...

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Polly Toynbee [makes a call for tax to be centre stage](#) in the next general election, and thereafter, in the Guardian today.

Of itself this is not a surprise, and nor is the fact that Polly quotes me, amongst others, surprising either. But some of those others are more surprising. Polly quotes a Sheffield firm of accountants who have had enough of under resourcing at HMRC, and rightly so. I recognise what they say, as many in the accountancy profession will.

She also quotes Michael Heseltine, not noted as a tax reformer. The question he asked Polly when discussing companies who tax abuse was, apparently, "Go after them! How many gunboats has Amazon got?"

His implication is very clear: he believes that the government, and HMRC in turn, have been far too timid in challenging such abuse. I agree with him. The lack of willing to take on international tax abuse precisely because it is international is, in my opinion, absurd. So, the sentiment expressed in the General Anti-Abuse Rule that it cannot be used against such activity is also, in my opinion, wrong (and yes, I acknowledge I was on the committee that both helped write and approved those rules). International tax rules only have impact because of domestic law, and as such abuse of them is a matter for domestic law. A proper [General Anti-Avoidance Principle](#) would provide the means to tackle such abuse, in my opinion. Polly notes my view.

She also notes my support for extending national insurance to investment income. Here, unfortunately an extra zero has crept into the Guardian copy. This will not raise £40 billion. Cautiously it may raise only £4 billion after exempting small receipts and those of some pensioners, but the impact will be bigger. A great deal of tax avoidance is still focussed on national insurance. This would stop much of that in its tracks.

Then we might get business focussing on more important things, like productivity, making things people want, and investing for the future. Right now far too much business advice is simply about how to reduce tax payments. When that whole scenario changes to a situation where people seek advice on how to boost their incomes by

doing things better we might see a real gain to the UK economy. Without reform on tax that is not going to happen. That's a very good reason why tackling tax abuse should be so high on the agenda now.