

Time to limit tax reliefs - and create an Office for Ta...

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This [is what the National Audit Office](#) had to say on the cost of tax reliefs, yesterday:

“HM Treasury and HMRC do not keep track of tax reliefs intended to change behaviour, or adequately report to Parliament or the public on whether tax reliefs are expensive or work as expected. We found some examples where HMRC and HM Treasury proactively monitored and evaluated tax reliefs, but in general the Departments do not test whether their aims for the reliefs are being achieved. Until they monitor the use and impact of tax reliefs, and act promptly to analyse increases in their costs, HMRC and the Treasury’s administration of tax reliefs cannot be value for money.”

Amyas Morse, head of the National Audit Office, 21 November 2014

From my experience I can suggest that HM Treasury's forecasting of the cost of tax policies is poor, at best. It now seems its post implementation reviews are worse.

I could, and have, and will, suggest that many of the reliefs HMRC provide (including most for savings and almost all for supposed investments) are of almost no economic worth to the UK, whilst I have long argued that pension tax relief should be restricted to basic rate and [be matched by an obligation on pension funds to invest for social benefit](#), but the fact is that at present HMRC and HMT don't even seem able to count the data on tax returns.

[The case for an Office for Tax Responsibility](#) - to proactively monitor such issues on a regular basis - is overwhelming.