

You can't have an effective income tax without having a...

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I [posted Alex Cobham's review](#) of [Gabriel Zucamn's paper on corporate tax reform](#) last week. I re-read that paper this weekend and noticed this comment:

No country in the world has a well-functioning individual income tax and no corporate tax at all.

I think that true and please ignore tax havens because virtually by definition they do not have well functioning income tax systems.

The reason why this observation true is itself obvious: unless you have the back-stop of an effective corporation tax the opportunity for anyone to avoid income tax by shifting their income into a company is a wide open gaping opportunity for abuse available to anyone.

There is, though, a good reason for highlighting this quite obviously true comment and that is that there is serious opposition to corporation tax, not least at the Oxford University Centre for Business Taxation, and because of that Centre's influence in the Institute for Fiscal Studies, there too. Indeed, Prof Michael Devereux, who directs the Oxford Centre and [who was a key author of the Mirrlees review](#) on corporate taxation wrote in the FT in December 2012:

Now why would you argue that if you wanted an effective income tax system?

Or, is it that you don't?

It's a question worth asking.