

Google's unfair tax is actively supported by the UK gov...

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The [Mail has reported this morning](#) that:

Giant corporations such as Google will 'inevitably' pay less tax than ordinary firms, one of Britain's top Revenue officials admitted yesterday.

Jim Harra, head of tax at HM Revenue and Customs, triggered outrage when he suggested it was unrealistic to expect multinational firms to pay as much as other businesses.

It is an interesting claim because it is, of course, wrong. The claim made is only true if you decide to use a tax system where the existence of groups of companies is largely ignored, individual group member companies are taxed individually, and where the rules on whether a company is present in a location or not, and so taxable there, were created in the era of the steamship. That, of course, is the system we have. And it is, as Jim Harra says, inevitable that large multinational companies will win in it.

But if that is inevitable it has to follow that any government that seeks to perpetuate that system knowing the inevitability of that outcome is either unaware of alternatives or, knowing of them, has consciously chosen to maintain the status quo and the inevitable bias in it.

As it [happens the Guardian reports this morning that](#):

One of the most powerful opponents of Google's controversial tax structures, European tax commissioner Pierre Moscovici, is expected on Thursday to call on Britain and Ireland to drop their objections to radical tax reform across the EU.

Moscovici, who has previously [advocated a Europe-wide "digital tax](#) on companies such as Google, now wants to tackle aggressive tax avoidance among multinationals by requiring them to file a single European tax return.

He believes this reform — known as the [common consolidated corporate tax base](#) (CCCTB) — would remove the temptation for international firms to artificially divert

income from one country to another. Member states, would still be free to set their own corporate tax rates.

Britain, however, is among a small band of countries [fiercely opposed](#) to the European commission's plans, believing they would weaken the UK's ability to tailor its tax system to attract jobs and investment from international businesses.

"The CCCTB [proposal] has been around a very long time," Treasury minister David Gauke said last year. "It is a proposal still looking for a justification."

I apologise to the Guardian for the length of the quote: I justify it because of the importance of what they have written to my argument and the conclusion that it inevitably leads to, which is that the UK is not only choosing the hopelessly biased outcome of the current position, but is going out of its way to support it, and that despite the fact that they know that [unitary taxation](#) (which is the theory that underpins the CCCTB) could deliver a much more equitable outcome.

So let's have no more bleating about inevitability, please. Let's have a lot more talk about choice. Because the UK is going out of its way to support the tax system that lets Google abuse UK small business.