

The Joy of Tax in Orlando

Published: January 13, 2026, 7:57 am

This is the outline of the talk I gave to the [American Tax Association](#) (made up of US tax professors) in Orlando today:

Joy of Tax American Tax Association Orlando 26 February 2016

- * The Joy of Tax
- * My argument is simple
- * Tax is the tool with the greatest opportunity to shape the world we want to live in
- * This is a macroeconomic argument
- * We now know how money works
- * According to the Bank of England every text book is wrong
- * We now know loans create deposits and not the other way round
- * How tax works
- * Suppose we got tax wrong too?
- * Suppose governments don't tax and spend
- * But spend and then tax?
- * Let me assure you that's what they do

- * How do we know?
- * Over \$6 trillion of QE proves it
- * But in fact we've always known this - this is why we have a national debt
- * And why we have any government created money - because all of that is created by government over spending not claimed back by tax
- * So what does this mean?
- * Tax never, ever, pays for government spending
- * The primary goal for tax is to reclaim the money the government spends into the economy?
- * Why? To prevent inflation. I told you this was macroeconomics
- * Is that it?
- * No!
- * But what it means is that we have to completely re-appraise what tax is for
- * The six reasons to tax
- * Reclaiming the money spent by the government into the economy as far as is needed to control inflation
- * Ratify the value of money
- * Reorganise the economy
- * Redistribute income and wealth
- * Reprice market failure
- * Raise representation in a democracy
- * To put it another way
- * Tax is not about paying for anything
- * Tax, from beginning to end is all about shaping the economy in the way we want in accordance with our democratic principles
- * Principles
- * Adam Smith
- * Equity

- * Certainty
- * Convenience
- * Efficinecy

- * But this is not 1776
- * And these were largely standards for the administration of tax, not principles on which to base the tax system

- * So in 2016
- * Peace
- * Equality
- * Truth
- * Simplicity

- * Applying this to a real example
- * Country-by-Country reporting
- * An incredibly simple idea I created in 2003
- * Why?

- * Peace
- * John Christensen and I, who were cofounders of the Tax Justice Network were sure there was a transfer pricing problem
- * Developing countries were not collecting the money they were owed
- * Multinationals were transfer mispricing profits to tax havens

- * The consequences?
- * Developing countries were not able to control their economies: the money they need to reclaim is not there to be had
- * Nor is it available from the tax havens
- * So there is international stress: the wrong people have the wrong money in the wrong place
- * Developing countries are constrained on their spending because they have no ability to reclaim money

- * And in many other countries the need to reclaim tax has been shifted from corporations / capital to wealth
- * Stress!
- * But more than that
- * Equality
- * Large and small business are not being treated the same: result a bias to the big
- * And nor are countries being treated the same
- * Whilst access to tax havens has been deliberately designed to creat inequality
- * Faith in the integrity of the system was being undermined
- * This was an issue to address if macroeconomic credibility and faith in government was to be preserved
- * Truth is key then
- * Regrettably some governments have not been committed to truth. Opacity has been their watchword
- * I have defined them as secrecy jurisdictions
- * If you want to know who they are read the Tax Justice Network Financial Secrecy Index
- * And some companies have not either
- * Our aim when we set out as tax justice campaigners was to
- * Put large companies on the front pages of newspapers
- * If they used tax havens
- * And if they cost developing countries money
- * With the aim of forcing change from countries and companies
- * And crucially we were always solution focuseed
- * Automatic information exchange
- * Beneficial ownership on pubic record
- * And country by country reporting
- * There were others, but these were key

- * Country by country reporting
- * A method to encourage companies to pay the right amount of tax in the right place at the right time
- * Where right means that economic substance matches accounting form
- * Tell us
- * Third party sales
- * Intra-group sales
- * Number of employees
- * Profit before tax
- * Tax provided
- * Tax paid
- * Equity
- * Retained reserves
- * Tangible assets

- * We can do the big data:
- * Does your reporting match where your profits are likely to be earned

- * So far the evidence is they definitely do not

- * Won at the OECD as part of BEPS
- * Fir tax reporting

- * Now heading for public record in the EU, I suggest
- * Why
- * To provide a tax risk template
- * For
- * Tax authorities
- * Investors
- * Civil society
- * The media

- * This is about holding global companies to account locally
- * And restoring equality for all - as efficient markets demand

- * And what of simplicity
- * Let me not forget the Holy Grail of tax

- * There is no simple tax system in a modern economy

- * But go back to Smith
- * The job is to make sure tax is paid

- * Equitably

- * Certainly

- * Conveniently

- * Efficiently

- * And that requires
- * Good law

- * Investment in tax authorities

- * Every encouragement to transparency

- * And cooperation - call it peace in our time

- * We set out to change the world of tax
- * In some ways that is what we are doing

A mindmap summary of this is here: [Joy of Tax Orlando 26-2-16](#)