

What will Osborne do about Google?

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Google's tax affairs have been bad for Google and they look unlikely to do anything about it.

They've been worse for George Osborne, and he may be expected to do something as a result, but what?

Osborne will need to be seen to be tackling three issues. First, tax avoidance. Second, multinational companies. Third, (maybe), the internet.

On tax avoidance the options are three fold. First, scrap the general anti-avoidance rule, and replace it with a general anti-avoidance principle. [I wrote him one](#) in 2012.

Second, invest heavily in HMRC.

Third, co-operate with the EU on this issue.

All else may be window dressing.

On multinational companies there are three options. First, country-by-country reporting whether the EU goes for it or not. He could do it. I think it unlikely, but he could.

Second, create a distance selling levy. I oppose extra sales taxes, but there is a real issue with what the supermarkets are saying about unfair competition in the area of business rates. They pay high business rates: Google and Amazon, et al, are not and this is distorting competition. So, let's look at that and charge an excess land value tax on the UK property of companies that use those facilities to arrange on line sales of products not otherwise taxable in the UK. This is a super land tax. I have not developed the idea in full, but it is a direction of travel. EU issues would have to be looked at.

Third, demand that the OECD finally resolve permanent establishment and if they cannot get the EU to create a common initiative instead.

And the internet? Every company is on line: there is no special case to be made now,

barring what I note on a special land tax, above. Sometimes we just have to be realistic about this.