

What I expect from any party on fair taxation: my talk ...

Published: January 20, 2026, 5:24 pm

This is pretty much what I said at today's Labour economic conference on the subject of fair taxation:

- * Those who read my blog will know I trailed ideas on some of the issues I might speak about this morning
- * If I am honest some of that was a bit of a red herring. It goes without saying that in my opinion any political party promoting a fair tax system must
 - * Provide a broad base of taxes
 - * Make sure they are progressive to achieve redistribution of income and wealth
 - * Prevent loopholes - of which we still have myriads - that permit income of equal value being taxed at different rates depending on its source
 - * Has to deliver key social objectives with that tax system, including support for policies on health, housing, education, gender discrimination, the environment and other issues on the way
 - * All this just goes without saying
- * So what does need to be said about what I am really looking for on fair taxation? Three things
 - * First, to understand that the total amount we tax is largely unrelated to the amount the government spends and is instead all about fiscal policy and the amount by which we want to stimulate or dampen down the 'animal spirits' of the nation. The last thing fair tax is about is the microeconomic irrelevance for a country as a whole of balancing the books. It is actually about delivering opportunity for all, including to work in well paid jobs
 - * Second, fair tax is about keeping promises. I am bored to the back teeth of governments who say one thing and do another.
 - * Who say they want to deliver fair tax but then put a higher tax rate on the self employed than they do on big businesses

- * Or who cut inheritance tax and increase VAT
- * And who claim they support the ending of international tax abuse but then oppose public country-by-country reporting by multinational companies that would let us see it was happening
- * And who deliver £30 billion of income tax reliefs, very largely to the wealthiest in society and cover up for it by saying those people still pay the most in tax when that is because our society has become so unbearably unequal
- * This type of hypocrisy has to end

- * But most of all right now I want a government that walks the talk in the most basic of ways when it comes to tax. I want it to collect the money that is owed in the UK
- * The UK has a tax gap - an amount of uncollected tax. HMRC say it is about £35 billion. I say it could be £120 billion. We can't both be right
- * What is true is that we cannot recover all of that sum. Equally we won't get very much at all if we have a government that believes HMRC performance should be assessed on the level of cost saving it achieves and not by the number of cheats it stops
- * And we will not collect tax if HMRC closes every one of its offices in the UK, suffers the most massive disruption as a result and loses most of its senior staff who have no wish to move later in their careers, and yet that scale of disruption is what it is planning
- * And which has no apparent plans at all in hand to handle the mass of additional information that recent agreements to secure extra information from tax havens, all of which will be totally ineffective unless there are well trained people waiting to use it

- * I want a government committed to tax justice
- * That understand what it is
- * Gets the economics right
- * Closes the loopholes
- * Beats the cheats
- * Delivers a level playing field for us all
- * And who is willing to invest to achieve these goals
- * I don't think that too much to ask for
- * I call Labour to commit to deliver