

## What is fair taxation?

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What, precisely, fair taxation might be is a question often asked, and not always well answered. Given I am talking about it tomorrow it is an issue that I need to consider at some time between now and then because in the time I have available to talk on the subject the many possible directions in which such a discussion could go are not all available to me.

That debate could address issues about the tax base. Issues such as horizontal equity are relevant. Why is it that we now have a situation where income from capital is taxed so much less than income from work? And why are companies taxed less than the self employed?

Or the issue of vertical equity could be considered. [Jolyon Maugham asked this week](#) why the value of most of the UK's £30 billion of income tax reliefs go to those who need them least, undermining the progressivity of the UK tax system and increasing inequality.

That naturally leads to the subject of wealth taxation, about which I am talking at the World Bank on Tuesday.

And there remains the thorny issue of offshore, transparency, accountability and the deliberate inequality of access that is one of its pernicious aspects, alongside the economic distortions it creates.

Through it all is the issue of the tax gap, under-resourcing at HMRC, the attitude of indifference this government has in practice to tax collection and the related issue of regulating company law, both of which are going to become much more pressing as more data flows from offshore and country-by-country reporting over the next few years.

Hovering over it all is the shift of taxation to indirect taxes, which to date have almost always been regressive.

Gender issues run through this whole area.

And the failure to embrace anything that looks like an appropriate green tax base, or land value taxation, is also a possibility.

As is finding the right basis for devolving tax to regions.

Which way will I go? I will decide sometime between now and when I speak on fair taxation tomorrow, [where I think the event is now sold out.](#)