

Northern Ireland has already got a tax border in the Ir...

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Theresa May and the Unionist politicians of Northern Ireland are somewhat disingenuous when it comes to their argument that there should be no border down the Irish Sea. They have similarly selective memory when it comes to arguments about tax alignment with the Republic. What they forget is that for much of the last decade they have been arguing for that tax alignment. And they were well aware that this would create a border down the Irish Sea. And so successful were they in pursuing their argument that law to achieve these goals was passed in 2015. As a [House of Commons Library](#) paper noted this year:

In March 2015 Parliament passed the Corporation Tax (Northern Ireland) Act 2015 which, subject to commencement regulations, will devolve corporation tax rate setting powers to the Northern Ireland Assembly. The Government has committed to commencing the regime if the NI Executive demonstrates its finances are on a sustainable footing. This note discusses the development of the Government's policy and the wider debate over corporate tax competition.

Note the last point: Northern Ireland wanted a divide from the rest of the UK. That is what tax competition implies.

I long opposed this move. [As I noted in 2010](#) in one of many blogs on this issue on which I broadcast often in Northern Ireland at the time:

The simple fact is that the Republic does not just compete on tax rate — it does in effect offer many companies a zero tax base so they pay nothing at all in the Republic. Which is a major reason for their current economic malaise. And unless Northern Ireland want to go the same way they'd be most unwise to follow.

Those [promoting the alternative](#) idea — that the rate be cut — include the Taxpayer's Alliance, KPMG and local big business - are of course either indifferent to government itself or are acting out of self interest for a particular section of society — the owners of capital. But this factional view is an inappropriate basis for determining tax policy — which has to be based on the interest of the community as a whole. And as experience

in the Republic has convincingly proved, when the state recedes — as it would have to if this proposal were adopted — the private sector does not rush in to fill the void. It flees in the face of falling demand. As a result you might get smakller government — the Taxpayer's Alliance's sole interest — but you also get an impoverished society.

Northern Ireland wanted division, in other words. And they got it in 2015.

The reality is that the absence of a government in Northern Ireland has delayed implementation of this measure. That does not stop it being law. Nor does it stop the fact that the precedent of Northern Ireland being in tax alignment with the Republic has been set. And, [as I outlined in some detail in 2010](#), the consequence was a requirement for an effective border in the Irish Sea.

May knows this.

I know May is playing games.

And we're all paying the price for that.

Borders that can exist when it suits Unionism and not when they don't do not need respecting.