

The underpinnings of our society are now being broken b...

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There is the clearest indication given in the media this morning of the failing UK state. As the [FT notes](#):

The UK tax authority has drastically scaled back inquiries into online sellers using platforms such as Amazon and eBay, despite concerns over VAT evasion and complaints from bricks-and-mortar retailers.

They go on to note that in the last eight months of 2020 HMRC made only 80 data requests to users of internet sales platforms compared to 2,684 the year before despite VAT evasion through such platforms being estimated to cost £1bn-£1.5bn a year in lost tax revenue. For all practical purposes that is the collapse of a tax system.

What they also note, in a [different article](#), is that it is now almost impossible for small distillers to export single pallet loads of product to the EU, making trade and the chance to make a profit very hard for them. What is more, even when everyone learns the new systems such is their complexity that they will be very expensive to use.

The issues are, of course, related. They are both about a failed tax system, and no society can afford such a system. But that is what the UK is developing, and very rapidly. The system now forces the compliant out of trade whilst turning a blind eye to the non-compliant. It takes decades to recover from that.

In the meantime the resulting deficits will be used as an excuse to undermine public services. In fact, I have no doubt this is why some are more than happy for this situation to develop.

The scale of illicit business will, of course, rise, as no doubt it is doing almost exponentially in the absence of any effective UK border controls at present.

And control of the macroeconomy, the value of the currency and the ability to deliver policy will all be lost as tax falls out of control.

Meanwhile, a criminogenic environment is created in which only cheats prosper, which

is something our government appears too willing to promote already.

When I wrote The Joy of Tax I suggested that the joy in question was the ability that tax gave to a government to shape society in the way that the people of a country wanted. That ability is now being used to break the underpinnings of society in this country. And that is very worrying indeed.