

Where is the UK government on Biden's tax plan? Is John...

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I wrote about the [Biden tax plan](#) last week. I [mentioned](#) that it might raise an estimated £13.5bn pa for the UK at the weekend. And all that would be achieved by simply ensuring that companies should be taxed at a minimum rate of 21% in the country where they might really earn their profits, as indicated by the location of their sales.

The Biden plan is not, as such, new. I have been arguing that international corporate tax should be on this basis for coming on for two decades now. The OECD caught on much more recently. Country-by-country reporting, which is now an international norm, makes it possible. That is not by chance. I designed it to deliver this outcome, and it works.

And in all this the UK silence is notable. This could, of course, be because for quite baffling reasons the business of government has been suspended because of the death of Prince Philip, who literally has no role at all within it. Or it could be for more worrying reasons.

What I fear is that there is a very real risk that the UK may be an outlier on this issue now. So much about UK foreign policy now seems extraordinarily unpredictable (from the willingness to break international law, to the apparent attempt to use Northern Ireland as a negotiating tool with the EU, and even to break Ireland's own relationship with the EU) that we have to at the very least presume that the UK may be willing to play tough on this issue of international tax for its own supposed advantage, making it an issue of policy difference as it strives to create a new mark on the world.

So the UK might, entirely conceivably, defend its own tax havens and refuse to back a plan that it will say might harm them. You can imagine Jersey, Guernsey, the Isle of Man, Cayman, the BVI, Gibraltar and others all queuing up with their professional lobbyist partners to make the argument that the UK should do that.

There is also another possibility. I think there is a very real possibility that the UK might use support for Ireland on a 12.5% tax rate (opposing the Biden move as a result) as leverage on the Northern Ireland protocol against the EU. I once said on RTE that 12.5%

was the national symbol of Ireland, and blow the harp. It was not popular but the reality is that this is the one issue on which there is almost no political divide between any party, whether in Belfast or Dublin, and so the opportunity for Johnson to play on this is real - and has to be taken into account.

Biden has made the right move. The OECD is delighted about it, and rightly so. Sensible tax campaigners should be backing both right now - whilst sweating the details, simultaneously and largely behind the scenes. But we should not ignore the possibility that the UK might become the centre of opposition to this.

The City of London, the Tories and the UK's tax havens are all instinctive opponents of this. And Johnson might gleefully seek to sow discord in and on Ireland. The risks are very high in that case.

There may be a campaign to be fought here.

And this blog will be fighting it, if need be.