

Why is the UK being so quiet about the Biden tax plan f...

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I share this from [Tax Justice UK](#), of whose advisory board I am a member:

New analysis suggests that the UK would raise an extra £13.5 billion a year from a global minimum corporate tax rate set at 20%. This would rise to over £22 billion a year if the rate was set at 25%. Companies like Amazon, Apple, Facebook and Google could face significantly higher tax bills.

President Joe Biden has proposed [a sweeping overhaul of how big international companies are taxed](#). This includes a new minimum tax rate which would help crack down on corporate tax avoidance.

The public is fed up with major companies getting away with paying ultra low rates of tax. A new minimum corporate tax rate would bring in billions of pounds to support public services and would deal a blow to tax dodging. As we build back from covid we should ask big business to contribute more given the support they've had during the pandemic.

The Biden administration has suggested a global minimum corporate tax rate of 21%. The [Independent Commission for the Reform of International Corporate Taxation](#) has proposed a minimum rate of 25%. Rishi Sunak has pledged to increase the UK's corporate tax rate to 25% in 2023.

So far the UK government has been silent on whether it backs the US corporate tax reform plan.

The government should stand up and support these proposals. The UK and its tax haven network have long promoted a global race to the bottom on corporate taxes - this needs to end.

A new minimum corporate tax rate would have a big impact on places like Ireland, the Netherlands and the Cayman Islands which have ultra-low corporate tax rates. The plan comes as international negotiations on global tax reform at the OECD club of rich nations gather momentum.

The analysis is contained in a soon to be published paper by international tax experts on how to implement a global minimum effective tax rate (METR) for multinational companies. The paper breaks down the expected revenue for a number of countries for different minimum tax rates based on a methodology from the OECD club of rich nations.

The METR proposal is authored by Sol Picciotto, Jeffery M. Kadet, Alex Cobham, Tommaso Faccio, Javier Garcia-Bernardo, and Petr Janský. In advance of the forthcoming study, [details of the proposal are available here](#).

I would add one thing, and that is that the UK's silence on this is now becoming quite worrying.