HM Revenue & Customs is not fit for purpose

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This comes from [my paper on a future tax system for Scotland](), but since it explains why HM Revenue & Customs does not provide a model for that system it also suggests why it is not fit for purpose for the UK more generally now. As such I suggest it has much wider application, and suggests that there is time for tax reform for the UK as a whole now:

Tax in the UK is managed by Her Majesty's Revenue & Customs (HMRC), which is not directly answerable to any government minister, nor is it answerable to parliament. These are the consequences of divisions in responsibility dating back to the 17th century English civil wars and disputes between the Crown and parliament. These anachronisms should not impede a modern Scotland.

HMRC describes its role as follows: "We are the UK's tax, payments and customs authority, and we have a vital purpose: we collect the money that pays for the UK's public services and help families and individuals with targeted financial support."10 HMRC says its three strategic objectives are to*:*

* Maximise revenues due and bear down on avoidance and evasion;
* Transform tax and payments for our customers;
* Design and deliver a professional, efficient and engaged organisation.

If these objectives are compared to the purpose for tax that I have suggested appropriate then three conclusions can be reached:

* HMRC do not appear to understand the purpose or role of tax within either the economy or broader society;

* HMRC do not understand that tax maximisation is not always what is in the best interest of society, although ensuring that tax due is settled always is;

* Process is not strategy.

The current UK tax system is unaccountable to ministers or parliament; it has the wrong objectives, and those running it do not appear to understand the wider social consequences of the activity that they are undertaking. It is for these reasons that the existing UK tax system cannot be used as the role model for adoption by Scotland after independence. Scotland has to start afresh. But so too does the UK as a whole if it is to have a tax system fit for purpose in the twenty-first century.