

Scotland needs a new tax system

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As [The National newspaper in Scotland](#) reports this morning:

IN the fifth Scottish Independence Convention Transition Paper — Tax Policy For An Independent Scotland — political economist, chartered accountant and tax specialist Richard Murphy describes the steps Scotland will need to take during the [independence](#) transition period and after in order to set up a strong and fair tax system.

In a slightly annoying sequencing issue, the paper itself is not yet up on the Convention's website, but [will be available here very soon](#).

This is the second occasion when I have written a lengthy paper (this one is over 6,000 words) on Scottish tax reform required to make sure independence works. The other was for [Common Weal in 2017](#). I do see this new paper as building on the first, and it reflects both changes in my thinking and in attitudes towards independence since that time.

The paper's logic is reflected in two quotes pulled out in The National article, in which I say:

If Scotland is to have a modern, functioning, controlled and effective economy then having a strong, upheld, respected and enforced tax system is critical. Only a strong and fair tax system can ensure that a future independent government will be able to effectively deliver its chosen policies.

I then add:

If Scotland is to be independent it will be a very different country to the UK, that it will have left and its tax system will need to change to reflect this fact.

My point is that tax is not a peripheral, or technical issue, which far too many politicians and economists treat it as being. It is in fact at the very core of government, policy and the economy.

There was a reason why I called my 2015 book The Joy of Tax. That reason was that I

think tax the single most powerful instrument a government has to shape the economy for which it is responsible in the way that the people to whom it is accountable desire. That is, quite literally, The Joy of Tax.

The paper suggests that Scotland must embrace this logic. The need is not to just consider technical tweaks to tax, or to change a tax rate here or there, as devolution allows, but to ask what the values an independent Scotland wants to promote might be and to use the tax system to deliver on the answers.

Will the resulting tax system differ from that of the UK as a whole? I hope so. That's because I think Scotland would want very different values reflected in its tax system to those in the UK tax system now.

The UK tax system is biased to the interests of capital, property owning and speculation. It's my sense that this is not where Scotland is, or wants to be. I believe Scotland wants a tax system biased to people, jobs, the environment and the future.

Scotland also wants an accountable and transparent government not controlled by vested interests. That is a long way from where the UK is now, as is readily apparent.

So what I propose are radical reforms to deliver what I think Scotland might want.

The intention is to start a debate. It's a necessary debate on a subject too often ignored, and it goes right to the heart of what tax justice is really all about, which is designing tax systems fit for people and not just capital.

Comments will be welcome. I will be focussing in particular recommendations over coming days. And, of course the issues extend far beyond Scotland.