

The G7 deal did not set a target corporation tax rate f...

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The [G7 tax deal](#), signed at the weekend, had the aim of ending the 'race to the bottom' in corporation tax rates, which has seen them fall considerably in recent decades, with the resulting tax burden being shifted onto working people.

The 'bottom' when it came to corporation tax was zero per cent - the rate offered by the likes of Jersey, Catman and the other UK linked tax havens.

15% was meant to set a floor over that low rate below which rates should not fall. But this move has now been seized on by some right-wing campaigners - in Denmark, Finland and Australia so far, and no doubt spreading to the UK soon - to say that 15% is now the desired global tax rate - and that they must cut their domestic corporation tax rates to suit.

This is not true. The [G7 said](#):

We strongly support the efforts underway through the G20/OECD Inclusive Framework to address the tax challenges arising from globalisation and the digitalisation of the economy and to adopt a global minimum tax.

They added:

We also commit to a global minimum tax of at least 15% on a country by country basis.

They set a minimum tax rate. They did not set a desirable tax rate.

They got the minimum wrong. It is far too low. It would be dangerous for use in the UK given the amount of tax avoidance it would give rise to, being way below our income tax rate.

I hope the repercussions are not too serious, but no doubt Sunak will be talking 15% as a target very soon.