

## Tax the bads

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In this morning's video, I argue that we all know what the 'bads' in our economy are - tobacco, alcohol, sugar, carbon, plastics, and more. Some of them we tax heavily because we know they they are 'bad'. But sugar, plastics and even carbon are still getting an easy ride. It's time we tackled them properly

<https://www.youtube.com/watch?v=bWxyOviFBko>

The audio version is here:

[https://www.podbean.com/player-v2/?i=qjbi8-163df6c-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=&logo\\_link=episode\\_page&btn-skin=c73a3a](https://www.podbean.com/player-v2/?i=qjbi8-163df6c-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=&logo_link=episode_page&btn-skin=c73a3a)

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The transcript is:

*If there is one tax policy that every politician in the UK should adopt, it's that we should tax bads.*

*Now, that of course needs some explanation. What is a bad? Well, of course it's something that is bad for us. That's why I give it the name.*

*What is bad for us? Well, tobacco is bad for us.*

*Very clearly, alcohol, at least in excess, is bad for us.*

*We now know that sugar is very bad for us because that is the basis of the ultra-processed food crisis that we have that is fuelling obesity in this country, reducing*

*our productivity and creating a massive demand on the NHS, not least because of the significant rise in type 2 diabetes that it is causing.*

*And there are other bads as well. There's carbon. We know the consequence of the overuse of carbon. It is global warming.*

*And there are knock-ons from the carbon crisis as well. We know that cars are actually potentially bad for us. Not because of the fact they use carbon fuels, because they might actually not. They could be electric. But their tyres cause massive problems in terms of pollution as well. So large cars are a bad.*

*So, too, are plastics, of course. We know they are massively damaging to the environment as a whole, and especially to things like the sea.*

*These are all bads, things that ultimately undermine our well-being and cost us as a society a great deal of money.*

*Now we're used to the idea of taxing some of these bads.*

*Tobacco is very obviously heavily taxed, vaping not so much so, by the way, and it too is a bad.*

*Alcohol is very heavily taxed, but it doesn't appear to be stopping abuse by some, although Scotland is having a good go at addressing this issue.*

*Sugar? There is no such thing as a sugar tax in the UK. Instead, we have a big sugar lobby who are arguing against everything that the government is trying to do to prevent the abuse of sugar which is so addictive and so harmful to so many. So, I'm afraid to say we need a sugar tax to reduce the amount of it that is consumed.*

*And carbon? Look, we have certain degrees of carbon tax. Of course, we do. There are fuel duties and various things. But there's been an enormous reluctance to increase those. The car lobby is so powerful.*

*And talking about cars themselves, whilst there are taxes on cars, they are not progressive. In other words, they are not providing sufficient support to low-polluting and low tyre burning cars.*

*And they're supporting the use of SUVs, the rise in number of which has more than compensated for any savings from fuel efficiency over the last decade or so.*

*Plastics? Scotland has tried to do a returnable bottle scheme, and it's been killed. Why? Because the industry doesn't like it, because the government doesn't like it in London.*

*We are not taxing bads enough.*

*There are problems. These taxes on bads tend to be regressive. In other words, they are paid in higher proportion compared to income by those on lower income than they are by people on higher income. So, clearly, we need to compensate for that in the rest of the tax system.*

*But we know how to do that, and in the Taxing Wealth Report that I have written I have explained that there are plenty of ways to tackle that problem and reallocate income to those who are on lowest earnings to make sure that they can continue to actually live despite these additional taxes. So, we can tackle that issue, but what we can't tackle are the long-term consequences of not addressing these issues.*

*Because if we don't tackle those, well it may just be too late in the case of carbon and plastics and other things because we won't be able to solve the mess we create.*

*And it may also be late for some of the other issues as well. In particular, when we look at type 2 diabetes, from which so many people now suffer. That's a deadly disease, and I want to see it solved. And it can be cured by reducing sugar consumption.*

*So why aren't we taxing the bads?*