

[A report the government can't afford to ignore](#) [1]

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Today the 2020 Tax Commission, a joint venture of the Taxpayers' Alliance and the Institute of Directors helmed by City AM's Allister Heath, releases its final report. [The Single Income Tax](#) [3] ([summary here](#) [4]) argues for a comprehensive tax reform that would see the state shrink from 50% to 33%, with many of the current taxes we have on income, inheritance, and transactions being replaced with a single rate of 30% on income from labour, interest and dividends, with a £10,000 personal allowance.

By eliminating things like National Insurance paid by employees and employers (the worst stealth tax of all), everyone's tax burden would fall, and the shift from transaction taxes like Capital Gains Tax and Stamp Duty would facilitate a more smoothly-functioning price system. Only flows of income would be taxed. Regrettably, VAT cannot be scrapped as long as we're part of in the EU Single Market.

The report also makes good nods to localism by calling for local authorities to be held responsible for raising 50% of their spending power themselves, through things like local income and sales taxes. With any luck, this sort of change would bring down the overall tax burden even more, as councils competed with their neighbours.

I've been browsing through my preview copy for the last week, and it's a masterpiece. It is the best report to come out of a British think tank in years, and I can only hope that it has the impact it deserves. For a government that seems to be asleep at the wheel, *The Single Income Tax* should be a loud wake-up call.

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