

[More tangle for the tax thicket](#) [1]

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A [Taxpayers? Alliance report](#) [3] released today finds that the government has raised taxes 299 times since May 2010, and only cut taxes 119 times.

I?m not surprised about the direction of changes to the tax code, but the sheer number of tax increases is really quite amazing. Eight years ago, George Osborne said he was in favour of [?simpler and flatter taxes](#) [4]. I?m not sure what happened to that.

It?s staggering to see how many of the new taxes have been designed to shape people?s behaviour. Almost everyone in British politics assumes that they have the right to impose ?good behaviour? on the great unwashed. As a result, we get rises in alcohol and tobacco duties, and this week?s proposals for a tax on sugary drinks. This is very muddled ? pleasure is entirely subjective. One man?s binge drinking is another man?s pleasant Saturday night out.

One of the big appeal of flat taxes is not that they eliminate the different bands of income tax, but that they get rid of the thousands and thousands of pages of exemptions and special rates that complicate the system, pervert incentives by encouraging inefficient economic activity, and create deadweight losses in the shape of high costs of complying with complex tax codes.

You could, theoretically, have a ?sort-of-flat-tax? that kept two bands and a tax-free personal allowance, but got rid of every special tax and special exemption, with the savings going towards a raising of the personal allowance. That might be more feasible than a true flat tax with a single tax rate, but would still have most of those advantages. Unfortunately it looks as if we?re going the other way.

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Links:

[1] <http://www.adamsmith.org/blog/tax-spending/more-tangle-for-the-tax-thicket>

[2] <http://www.adamsmith.org/taxonomy/term/5809>

[3] <http://www.taxpayersalliance.com/taxrises.pdf>

[4] <http://news.bbc.co.uk/1/hi/4220838.stm>

[5] http://disqus.com/?ref_noscript

[6] <http://disqus.com>