

[The tax avoidance inquisition is right about one thing](#) [1]

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The debate over tax avoidance never dies because most people tend to act in their own self-interest. We always search for the most common-sense approach to organising our own finances: We tend to buy things with lower VAT because they cost us less, and we tend to put our savings into a tax-free ISA when the opportunity presents itself. Likewise, with the financial resources to do so, you would tend to seize the chance to avoid tax on a much grander scale *à la* Carr.

The political classes, from David Cameron to Owen Jones, present tax avoidance as immoral. But then taking advantage of ISAs and VAT distinctions is immoral too, just as stealing a pound rather than stealing a million remains stealing nonetheless, the difference in scale is more to do with opportunities and abilities than intent. If moral equivalence amounts to anything at all, then we would have to demonise the entire population for tax avoidance.

But the real root of the complaint about immorality is that it deprives the government of revenue to do worthy things, like fund hospitals and schools. So dodging £1m is given the moral equivalence of taking it from the sick, children, and particularly sick children. Libertarians can even set aside the retort that these functions may be better served by the private sector. But it's really the system that allows massive tax avoidance that should shoulder the moral blame, something that both libertarians and socialists could actually agree on.

The extraordinary 12,000 pages of the Tolley's Tax Guide represent decades and decades of heavy-handed discrimination and intervention by government. It ranges from petty differences like X VAT on pasties, and Y on their warm variety, to Labour millionaires acting like corporations. This discrimination is, obviously unequal treatment before the law, and will tend to discriminate against those least able to lobby: against the average family, and the smaller businesses. If 'fair' means anything at all, coercive discrimination to either manipulate society or give sops to lobbyists probably isn't it.

But morality is a slippery thing. Even setting morality to one side, and accepting that tax avoidance does harm, what are the proposed solutions? Every government informs us that they are 'cracking down' on avoidance, with ever-greater resources and powers for Her Majesty's Revenue and Customs. But this solution tends to do even more harm than good. Unsurprisingly, the bureaucratic sledgehammer falls heaviest on the easiest, and thus poorest targets. These small businesses without armies of accountants are woefully unprepared to deal with the thousands upon thousands of pages of tax legislation.

The solution is ruthlessly simple, and should satisfy socialists and libertarians alike: Taxes ought to be

simplified. That means radically fewer exceptions, fewer loopholes, and fewer distortions. If possible, eradicate them completely. Let?s stop blaming individuals for being human, acting in their own self-interest. Instead, maybe we can agree for once, and end large-scale tax avoidance by ripping up our crony-corporatist tax system.

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