Ministers must resource HMRC properly, says new Institute President

Briefings



25 May 2023

New CIOT President Gary Ashford has urged ministers to provide HMRC with the resources needed to improve service levels to taxpayers and advisers. He made the call in his inaugural speech as President, after taking over from Susan Ball at the Institute's annual general meeting on 30 May.

'Poor service levels at HMRC are not just a pain for taxpayers and advisers, they harm tax compliance, hinder business activity and hammer away at trust in the tax system,' said Gary. 'A strong economy needs an effective tax system.'

Pointing out that HMRC have 6,000 fewer customer service staff than they did five years ago, Gary said that while he is 'a true believer in the power and the potential of technology', cutting staff in anticipation of efficiencies from digitalisation which have not yet arrived, is 'putting the cart before the horse'. 'Ministers must resource

HMRC properly for the job it has to do,' he concluded.

Impact of technology

The impact of technology was a theme running through Gary's speech. Drawing attention to his role as chair of the joint CIOT/ATT crypto assets working group, he said that the crypto assets and broader decentralised finance sector needs to be recognised as unique, with specific, clear legislation for how you tax it. 'The government's new consultation looks to be edging down this road, which is welcome,' he added. 'But there will have to be a huge awareness campaign to make owners of crypto aware of their obligations.'

Gary also reflected on the likely impact of artificial intelligence on the tax profession. His assessment was that, while 'chatbots' such as ChatGPT are not about to replace tax advisers, they will require the profession to adapt. 'There isn't a lot of space in the profession these days for people who can't use a spreadsheet or the internet,' he observed. 'In a few years' time, it could be the same with AI.'

Suggesting that AI is best thought of as a graduate researcher – 'smart and articulate, but you need to check their workings' – he said it was a powerful tool which could free up the time of advisers to let them provide more tailored support. 'Even more than now, successful future tax professionals will be those whose offer goes beyond simply crunching numbers and ensuring compliance, to become their clients' trusted advisers,' he concluded.

He encouraged CIOT members and others to take a look at the Institute's new Diploma in Tax Technology, calling it 'a qualification which matches the needs of the profession'.

Celebrating LITRG

Gary also used the speech to congratulate the Institute's Low Incomes Tax Reform Group (LITRG) on a quarter century of work for taxpayers on low incomes, ahead of the group's 25th anniversary in July.

He highlighted recent LITRG achievements such as HMRC's crackdown on rogue tax refund companies and the net pay pension top-up in the current Finance Bill, as well as older ones like setting up the advice charity Tax Help for Older People. He praised the group's websites which provide advice to more than five million visitors a year.

He paid tribute to the current LITRG team headed up by Victoria Todd, as well as their predecessors such as the group's founder, John Andrews, and first technical director, Robin Williamson.

View the speech at: www.tax.org.uk/annual-reports

To find out more about the new CIOT presidential team see page 49