CIOT issues election challenge to parties

Briefings



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Any party serious about improving economic growth and productivity should be making the administration of the tax system a key part of its general election platform, says CIOT.

Institute President Charlotte Barbour has written to the tax spokespeople for the main political parties identifying seven ‘pressing issues’ which the Institute believes should be a priority for the next government.

The seven issues are:

1. Resourcing HMRC to provide the level of service taxpayers need
2. Review tax digitalisation to focus it on the needs of taxpayers
3. Commit to meaningful simplification of the tax system
4. Get research and development tax credits working properly
5. Effective but proportionate action to tackle rogue tax agents

6. Greater transparency and accountability over policy costings
7. Adherence to sound tax policy making principles

The letter, sent at the start of the general election campaign, states: ‘We believe that unless these are addressed the tax system will continue to become less efficient, harder to comply with and less effective at both raising revenue and supporting taxpayers.’

Charlotte explained: ‘Tax is always central to political debate and party manifestos during an election campaign. But too often this is limited to arguments about which groups should pay a bit more or a bit less. Just as important is having a tax system that works effectively. Onerous requirements, excessive complexity, an inability to access clear guidance and prompt payments – all these hinder the ability of business to do business and to contribute to the economic growth and increased productivity that the UK needs to prosper.

‘A properly funded and efficient HMRC is vital to the success of the UK economy. But current HMRC service levels are far from where they should be. Callers to HMRC telephone helplines spent nearly 800 years waiting on hold in 2022-23 – more than twice as long as in 2019-20.

‘Done well, digitalising tax administration can bring benefits to all involved. But too often it seems to be an exercise merely in outsourcing work from HMRC to taxpayers and their agents. A straightforward, easy to navigate tax system would free up business owners and managers to focus on growing their business, rather than spending their days overcoming bureaucratic hurdles put in their path by the state.

‘Better tax policy making can provide taxpayers with greater certainty and stability, increasing public support for, and compliance with, the tax system. In all these areas, improvements to how the tax system operates can make a significant contribution to UK economic growth. We hope politicians of all parties will put such measures at the heart of their elections plans and programmes for government.’

The letter was sent to spokespeople for the Conservatives (Nigel Huddleston), Labour (James Murray), Liberal Democrats (Sarah Olney), SNP (Drew Hendry), DUP (Sammy Wilson), Plaid Cymru (Ben Lake), Green Party (Molly Scott Cato) and Reform UK (Lee Anderson).

Read the letter and responses at: tax.org.uk/election-2024-challenge