Labour’s business tax road map: CIOT’s thoughts

General Features



25 September 2024

CIOT has written to the Exchequer Secretary to the Treasury setting out our suggestions as to what should be included in the promised business tax roadmap.

The CIOT welcomed the government’s intention to publish a roadmap for business taxation and to consult on this, noting the success of the 2010 corporate tax roadmap.

We consider that the roadmap should be based on some key objectives, and suggested that these could be based around what the government set out as its role in its Business Partnership for Growth (published in February 2024).

These are:

- providing stability, integrity and certainty;
- setting the strategic direction;
- removing unnecessary barriers; and

- creating growth everywhere.

We also said that the policies in the roadmap should be coherent and considered in conjunction with other government priorities. That is to say, it should be clear how they fit in with other government policies, including non-tax specific policies, such as climate change and growth agendas. Finally, we suggested that the roadmap should include some process by which to monitor and evaluate progress, as well as a commitment to follow the tax policy consultation framework as much as possible.

Within these broad principles, we made suggestions around increasing the provision of pre-clearances and rulings, as well as ensuring that there is better and accessible guidance, an improvement in HMRC customer service and better targeting of compliance activity.

We also said that the UK government should say how it will use tax policy to support other key government goals, such as achieving net zero.

The tax system and its administration should work to support business activity, and our letter addressed two current issues that risk creating, rather than removing, barriers. These are HMRC service levels and digitalisation. HMRC service levels are widely recognised as being at an all-time low and need to be improved. Similarly, digitalisation should be better focused to reduce the tax gap, to avoid increasing businesses' costs for little or no benefit.

Finally, in relation to creating growth, we said that the government should use the roadmap to provide clarity of the government's longer-term strategy in relation to business investment and for giving incentives, such as capital allowances.

Our letter can be read at: www.tax.org.uk/ref1352.

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