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A fair and effective tax system to benefit everyone in the UK

BRIEFING NOTE

ASSESSING THE TAX POLICIES OF THE MAIN POLITICAL PARTIES

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Will Snell

07928 858882

mail@taxjustice.uk

www.taxjustice.uk

Introduction

About Tax Justice UK

Tax Justice UK is a new campaigning organisation, linked to (but independent of) the Tax Justice Network. Tax Justice UK will be formally launched in mid-2017. It is politically non-partisan and will work on three issues:

1. The role of tax

Taxation builds a civilised society, healthy economy, secure country and decent public services. *Tax Justice UK will celebrate the role of tax in building a civilised and fair society.*

2. A fairer tax system

The costs of contributing to tax revenues should be shared fairly, taking into account the ability to pay. *Tax Justice UK will advocate for a fairer and more progressive tax system.*

3. A more effective tax system

All UK taxpayers, including companies as well as individuals, should pay all of the tax that they owe. *Tax Justice UK will campaign against tax avoidance by companies and individuals.*

Analysing the general election manifestos

As we approach the June 2017 general election in the UK, the outlook is decidedly mixed, even contradictory.

The previous government under David Cameron (and its predecessor government led by him in coalition with the Liberal Democrats) achieved some important milestones on the way to a fairer and more effective tax system. At the 2013 G8 summit, the UK government led from the front in helping to bring three longstanding tax transparency policy proposals onto the global policy agenda: public registers of beneficial ownership; multilateral and automatic exchange of financial information; and public, country-by-country reporting by multinational companies. Four years later, the UK government has introduced a beneficial ownership register for companies, and limited automatic information exchange. However, many of the proposals have been watered down in as far as they help developing countries, and at the 2016 anti-corruption summit in London, Cameron notably failed to either convince or compel the UK's overseas territories and crown dependencies to embrace transparency by abolishing their hidden ownership vehicles.

At the same time, the UK's economic and fiscal policy is dominated by the interests of the UK financial sector based in the City of London, which, to quote the Tax Justice Network, 'has crowded out manufacturing and non-financial services, leeched government of skilled staff, entrenched regional disparities, fostered large-scale financial rent-seeking, heightened economic dependence, increased inequality, helped disenfranchise the majority and exposed the economy to violent crises'. In January the Chancellor, Philip Hammond, threatened to turn the UK into a low-tax, low-regulation tax haven if Brexit negotiations did not go the UK's way. But the truth is that the UK, with its economy dominated by the finance sector and its network of overseas secrecy jurisdictions, is already the world's biggest tax haven.

And yet, despite a political environment that has seemed increasingly hostile to proponents of a fair and effective tax system, the debate in the run-up to the 2017 general election has been less about which party is going to reduce taxes the most, and more about which will *raise* them and how. As the Resolution Foundation has pointed out in its own pre-election take on the tax policies of the main parties (published before the manifestos came out), this may be related to increasing concern about the state of public services and the public finances due to a combination of long-term changes (such as an ageing population) and the more immediate potential impact of Brexit.

So, a confusing picture. Whatever the outcome of the election, there is the potential to make further gains for the tax justice agenda in the next parliament, but there are also serious risks that recent gains will be reversed.

In this document, we have attempted to assess the extent to which the general election manifestos of the main UK political parties (the Conservatives, Labour, the Liberal Democrats, the Greens, UKIP and the SNP) advance, or reverse, an agenda that we consider to be compatible with the pursuit of tax justice principles. (Plaid Cymru have been excluded because only local taxes are devolved to the Welsh Assembly, so their manifesto could not be fairly compared to the others.)

We have scored each manifesto out of 100 by looking at the extent to which it meets 10 key criteria, with a maximum score of 10 available for each. The criteria are listed on page 3, followed by a detailed analysis of each party's position for each. Turn to page 14 for a quick summary of our findings.

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Our criteria for analysing the manifestos

Tax avoidance and transparency

The UK should ensure that all companies and individuals pay the full amount of tax that they owe. Specifically:

1. The next government should increase the resources made available to HM Revenue and Customs to enforce UK tax legislation and to crack down on tax avoidance.

2. The next government should ensure that HM Revenue and Customs places more emphasis on reducing tax avoidance by large companies and wealthy individuals.

The UK is a sufficiently important global economy and financial centre that its stance on tax avoidance and transparency has a range of domestic and international implications. Specifically:

3. The next government should legislate to introduce public registers of *all* beneficial ownership of companies and of trusts (and legislation for the incorporation and registration of trusts).

4. The next government should legislate to introduce public country-by-country reporting for UK publicly quoted companies, while making the case for public country-by-country reporting on a multilateral basis.

The UK's secrecy network

The UK should use its network of crown dependencies and overseas territories to promote tax transparency and reduce tax avoidance (and evasion). Specifically:

5. The next government should use its statutory powers to compel all of the UK's crown dependencies and overseas territories to sign up to automatic information exchange, to introduce public registers of beneficial ownership of companies and of trusts, and to introduce public country-by-country reporting.

Tax 'competition'

The UK should reject the spurious and harmful notion that it should 'compete' with other countries to attract investment and wealthy companies and individuals by reducing tax rates and offering tax reliefs. Specifically:

6. The next government should commit not to make any further cuts to the corporation tax rate (and should, ideally, plan to restore it to its previous rate of 28%).

7. The next government should conduct a comprehensive review of the 1400 tax reliefs in the UK (which cost the UK exchequer £119bn per year, according to the NAO), analysing the costs and benefits of each and removing those that serve no useful purpose.

Tax fairness

The UK should reform the tax code to reduce inequality and boost opportunity, raising enough revenues, predominantly from those with the greatest ability to pay, to support strong public services, and increasing the degree of redistribution as measured by both the Gini index and the Palma ratio. Specifically:

8. The next government should avoid increasing regressive taxes (including indirect taxes such as VAT, and council tax) that have a disproportionate impact on the finances of poorer households in the UK (unless they serve an explicit social purpose, such as a sugar tax to reduce childhood obesity).

9. The next government should plan to increase taxes on wealth and unearned income, for example by introducing a land value tax, increasing the rates of capital gains tax and all investment income taxes, and protecting inheritance tax from further threshold increases and from rate reductions.

10. The next government should ensure that the tax system does not reduce the tax liabilities of companies so that they are subsidised by individual taxpayers (as happened in the oil and gas sector, for example, with the scrapping of petroleum revenue tax and reducing the supplementary charge for oil companies).

Tax avoidance and transparency (part 1)

HMRC estimates that £2.7 billion was lost from tax avoidance and £4.4 billion from tax evasion in 2013/14 (although it believes that the total amount of tax that was uncollected that year - the 'tax gap' – was £34 billion). However, other estimates (such as the 'tax gap' analysis undertaken by Richard Murphy at Tax Research UK) suggest that the real figure is considerably higher than this. Leaving aside differences of opinion as to the size of the gap, the evidence is clear that increasing HMRC's budget to crack down on tax avoidance and evasion would significantly increase the amount of tax collected (to the tune of £97 for every £1 extra spent on HMRC for investigations into large companies, according to its own figures). Meanwhile, HMRC's policy direction could be changed by prioritising investigations into larger taxpayers (and by preventing the agreement of more 'sweetheart deals', such as the deal made with Goldman Sachs in 2010 that lost the exchequer up to £20m).

CRITERIA #1

The next government should increase the resources made available to HM Revenue and Customs to enforce UK tax legislation and to crack down on tax avoidance.

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
The Conservatives will '*improve HMRC's capabilities to stamp down on smuggling, including by improving our policing of the border as we leave the European Union. We will also take further measures to reduce online fraud in Value Added Tax*'.	'Labour will '*give [HMRC] the resources and skills necessary to clamp down hard on… individuals and companies who seek to avoid the responsibilities that the rest of us meet*', with £200m of extra funding. HMRC's 'preferred creditor' status will be restored.	The Lib Dems will '*continue to invest in HMRC staff to enable them to meet*' targets to reduce the tax gap. Not clear what level of resourcing will be provided or whether this will be any more than the current level.	The Greens have committed to '*investing in more staff at HMRC so they can work more effectively*'. Not clear what level of resourcing will be provided.	UKIP do not mention HMRC resourcing at all, although their pledge to crack down on tax avoidance with '*any further measures necessary*' suggests that they might consider this in the future.	Not a devolved issue, although the SNP will push for '*a moratorium and review of the closure of HMRC offices in Scotland and across the UK*'. No specific mention of increasing HMRC resources beyond this.
SCORE: 2 / 10	SCORE: 9 / 10	SCORE: 5 / 10	SCORE: 7 / 10	SCORE: 3 / 10	SCORE: 6 / 10

TAXJUSTICE.UK ANALYSIS:

Only Labour have made a significant commitment to increase HMRC's resourcing and its ability to tackle tax avoidance in a meaningful way, although the Greens come close. A relatively small investment by the next UK government would yield significant financial returns as well generating political capital.

CRITERIA #2

The next government should ensure that HM Revenue and Customs places more emphasis on reducing tax avoidance by large companies and wealthy individuals.

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
The Tories will '*legislate for tougher regulation of tax advisory firms*'. No specific mention of increasing emphasis on tax avoidance by large companies and wealthy individuals, or details of the proposed tougher regulation.	Extra resources allocated to HMRC will be focused on reducing tax avoidance by large companies and wealthy individuals, with introduction of a 'General Anti-Avoidance Rule'. Labour is also planning to introduce a range of other measures aimed at countering tax avoidance, not all of which will be led by HMRC, which are forecast to bring in an extra £6.5bn to £8.5bn per year.	The Lib Dems will set 'a target for HM Revenue and Customs to reduce the tax gap'. No further details given, although this implies increasing the priority given to reducing tax avoidance by large companies and wealthy individuals. They will introduce a 'General Anti-Avoidance Rule', which will presumably build on the General Anti-Abuse Rule that was part of the Finance Act 2013 (similar to Labour's plans).	The Greens will '*ensure that everyone pays their fair share of tax and there is a crackdown on tax dodging*'. No specific details beyond this.	UKIP says that '*corporation tax should not be voluntary*', and that after Brexit they will '*close the loophole allowing businesses to pay tax in whichever EU or associated country they choose, and bring in any further measures necessary to prevent large multinational corporations using aggressive tax avoidance schemes*'.	The Scottish Government does not have direct control over most tax avoidance measures, because they are generally set at the UK level, but SNP MPs '*will back improvements to tax collection and tougher action on tax avoidance*', including '*measures to improve the transparency of tax paid by major international companies and further action by the UK government to tackle international tax avoidance*'.
SCORE: 3 / 10	SCORE: 8 / 10	SCORE: 6 / 10	SCORE: 7 / 10	SCORE: 7 / 10	SCORE: 7 / 10

TAXJUSTICE.UK ANALYSIS:

All parties take the opportunity to state that they will crack down on tax avoidance. The commitment made by the Lib Dems and Labour to strengthen the existing General Anti-Abuse Rule with a more comprehensive and effective General Anti-Avoidance Rule is to be welcomed. The Tories have missed an opportunity here to adopt Phillip Blond's proposal to 'level the playing field and change tax law to stop transnationals moving profits abroad', for example with a national turnover or sales tax.

Tax avoidance and transparency (part 2)

Meanwhile, as well as cracking down more effectively on tax avoiders, the UK government could be doing more to pursue the transparency agenda that has, so far, attracted more rhetoric than real action, and which would help to address some of the loopholes that facilitate tax avoidance both in the UK and overseas. The UK has already introduced automatic exchange of information and a beneficial ownership register with a minimum threshold of 25%, but should strengthen this system and introduce country-by-country reporting (taken together, these are the 'ABC' of tax transparency).

CRITERIA #3

The next government should legislate to introduce public registers of *all* beneficial ownership of companies and of trusts (and legislation for the incorporation and registration of trusts).

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
Will '*take a more proactive approach to transparency and misuse of trusts*'. No mention of beneficial ownership registers.	Manifesto commits to *'a public register of owners, directors, major shareholders and beneficial owners for all companies and trusts'* for all crown dependencies and overseas territories. *Tax Transparency and Enforcement Programme* mentions requiring disclosure of all shareholders of UK companies above a minimal value (not 25%), and a public register of trusts.	Not specifically mentioned.	Not specifically mentioned. However, their pledge to launch a '*crackdown on tax dodging'* suggests that some action may be taken in this area.	Not specifically mentioned.	Not a devolved power, but SNP MPs will support [public] '*beneficial ownership of companies and trusts*'.
SCORE: 4 / 10	SCORE: 9 / 10	SCORE: 0 / 10	SCORE: 3 / 10	SCORE: 0 / 10	SCORE: 8 / 10

TAXJUSTICE.UK ANALYSIS:

This is a very specific policy area, and its absence in a party manifesto should not necessarily be taken to imply that no action in this area will be taken by a new government. Notwithstanding the fact that Labour's approach has been set out in a detailed accompanying document that has no equivalent in the other manifestos, Labour's plans in this area are the strongest (closely followed by the SNP).

CRITERIA #4

The next government should legislate to introduce public country-by-country reporting for UK publicly quoted companies, while making the case for public country-by-country reporting on a multilateral basis.

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
No specific mention.	Will '*co-operate internationally to introduce full country-by-country reporting across the tax jurisdictions*'. Implies that they will only act multilaterally, not unilaterally.	They will '*lead international action to ensure global companies pay fair taxes in the developing countries in which they operate, including… requiring large companies to publish their tax payments and profits for each country in which they operate*'. Implies that they will only act multilaterally, not unilaterally.	No specific mention. However, their pledge to launch a '*crackdown on tax dodging*' suggests that some action may be taken in this area.	No specific mention.	No specific mention (and it is not a devolved issue). However, their pledge to support '*measures to improve the transparency of tax paid by major international companies and further action by the UK government to tackle international tax avoidance*' suggests that they support this policy.
SCORE: 0 / 10	SCORE: 5 / 10	SCORE: 5 / 10	SCORE: 3 / 10	SCORE: 0 / 10	SCORE: 5 / 10

TAXJUSTICE.UK ANALYSIS:

No party has committed to unilaterally introduce public country-by-country reporting for UK publicly quoted companies, which is disappointing. It is feasible that any new government, regardless of its political make-up, will pursue progress on this area on a multilateral basis.

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The UK's secrecy network

The UK's network of crown dependencies and overseas territories includes some of the world's leading secrecy jurisdictions (popularly known as 'tax havens'), including the Cayman Islands, the British Virgin Islands, Bermuda and the Channel Islands. The UK government has the right to compel these jurisdictions to reform their financial systems to improve transparency, and thereby make it harder for organisations and individuals alike to both avoid and evade tax (and to tighten the net on money laundering and other financial crimes). However, the government failed to make use of the opportunity provided by the London anti-corruption summit in 2016 to do this. This failure needs to be addressed urgently to reduce tax avoidance and evasion across the world.

CRITERIA #5

The next government should use its statutory powers to compel all of the UK's crown dependencies and overseas territories to sign up to automatic information exchange, to introduce public registers of beneficial ownership of companies and of trusts, and to introduce public country-by-country reporting.

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
Not mentioned.	Labour will *'act decisively on tax havens, introducing strict standards of transparency for crown dependencies and overseas territories, including a public register of owners, directors, major shareholders and beneficial owners for all companies and trusts'*. No explicit mention of either automatic information exchange or country-by-country reporting. They will introduce a withholding tax for '*abusive tax havens*'.	The Lib Dems will '*lead international action to ensure global companies pay fair taxes in the developing countries in which they operate, including tightening anti-tax haven rules*'. Does not specifically mention the UK's crown dependencies and overseas territories, implying that they would focus on multilateral negotiations rather than imposing changes unilaterally.	Not mentioned. However, their pledge to launch a '*crackdown on tax dodging*' suggests that some action may be taken in this area.	Not mentioned.	Not mentioned (and it is not a devolved issue). However, their pledge to support '*further action by the UK government to tackle international tax avoidance*' suggests that they may support this policy.
SCORE: 0 / 10	SCORE: 7 / 10	SCORE: 5 / 10	SCORE: 3 / 10	SCORE: 0 / 10	SCORE: 3 / 10

TAXJUSTICE.UK ANALYSIS:

Again, this is a relatively detailed area that may not always merit discussion in a high-level party manifesto. Nonetheless, it is striking that both Labour and the Lib Dems plan to put pressure on 'tax havens' as part of their international development strategy, although Labour is specifically focused on the UK's network.

Tax 'competition'

The UK government has generally justified its policy of tax cuts by the ideology of 'competitiveness'. The idea that cutting taxes stimulates economic activity, leading to greater tax receipts, is demonstrably wrong. By the government's own estimation, the increase in tax collection generated by economic growth stimulated by tax cuts will mean that the Treasury will only recoup around half the tax losses that it has incurred through corporate tax cuts over the next 20 years. The second argument for tax cuts is the 'tax incidence' case that the cost of increased business taxes will be passed on to workers or consumers, or both. But there is no evidence that this is the case. On the contrary, many companies are building up huge cash piles, and it is unlikely that increasing them through reduced taxes would suddenly induce them to share the proceeds with their employees and their customers, especially when many companies enjoy increasing market power, with little or no effective union influence. In fact, numerous independent studies have shown that the burden of corporate taxation largely falls on the owners of capital — that is, predominantly wealthy people.

Meanwhile, having an oversized finance sector unbalances the British economy, creating huge wealth in London and the south-east while impoverishing other sectors and other parts of the UK. According to the Tax Justice Network, the domination of the finance sector in the UK has 'crowded out manufacturing and non-financial services, leeched government of skilled staff, entrenched regional disparities, fostered large-scale financial rent-seeking, heightened economic dependence, increased inequality, helped disenfranchise the majority and exposed the economy to violent crises'.

CRITERIA #6

The next government should commit not to make any further cuts to the corporation tax rate (and should, ideally, plan to restore it to its previous rate of 28%).

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
The Conservatives will stick to their plans to reduce corporate tax to 17% by 2020 (the lowest rate of any major OECD economy).	Labour plans to increase the corporation tax rate to 26% (with a lower rate of 21% for smaller companies).	The Lib Dems will increase the corporation tax rate to 20% and will '*develop a system that benefits the smallest companies*'. They will consider taking account of turnover as well as profit.	The Greens will '*reinstate the higher level of corporation tax for large businesses*'. This presumably means 28%.	UKIP does not make any mention of the corporation tax rate (other than pledging to crack down on corporate tax avoidance, as above). This presumably means that they will keep it at 19%.	The Scottish Government does not have powers to change the rate of corporation tax. However, SNP MPs '*will not support further reductions to Corporation Tax*'.
SCORE: 2 / 10	SCORE: 8 / 10	SCORE: 6 / 10	SCORE: 8 / 10	SCORE: 4 / 10	SCORE: 5 / 10

TAXJUSTICE.UK ANALYSIS:

There is a clear ideological distinction between the parties here, with the Lib Dems and SNP taking a middle-ground position between Labour and the Greens on one side, and the Tories and (presumably) UKIP on the other. Reducing business taxes is a form of tax 'competition', a policy that is based on flawed economics, and there is no evidence to support the argument that higher business taxes will be passed on to workers and consumers. A corporation tax rate of 26% would still be the lowest in the G7.

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CRITERIA #7

The next government should conduct a comprehensive review of the 1400 tax reliefs in the UK (which cost the UK exchequer £119bn per year, according to the NAO), analysing the costs and benefits of each and removing those that serve no useful purpose.

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
Will '*simplify the tax system*' and '*continue to support small businesses through business rate relief*'. No mention of reviewing tax reliefs beyond this (other than further tax reliefs for creative and media industries, building on the creative industries tax credits scheme).	Will '*initiate an immediate independent review of the efficiency, range, and scope of business tax reliefs and tax-planning structures like trusts*'. No mention made of including non-business reliefs in this review.	Will run a '*full-scale review into the burden of taxation and spending between generations to ensure that government policy promotes fairness between generations*'. Will provide '*tailored industry-specific tax support*' to '*support growth in the creative industries*'.	No specific mention.	No specific mention, other than a pledge to cut business rates by introducing a '*20% relief on premises with a rateable value up to £50,000*'.	No specific mention.
SCORE: 3 / 10	SCORE: 7 / 10	SCORE: 6 / 10	SCORE: 0 / 10	SCORE: 1 / 10	SCORE: 0 / 10

TAXJUSTICE.UK ANALYSIS:

No party is planning to review the whole range of tax reliefs in the UK. It would be preferable to look at the wider picture, not just including business tax reliefs, to achieve the fairest outcome in terms of sharing the responsibility for paying taxes between businesses and individuals and within both groups.

Tax fairness

A recent report by the Resolution Foundation suggests that income inequality is likely to increase during the next four years by the greatest amount since Margaret Thatcher was Prime Minister. The UK government should reform the tax code to reduce inequality and boost opportunity, raising enough revenues, predominantly from those with the greatest ability to pay, to support strong public services, and increasing the degree of redistribution as measured by both the Gini index and the Palma ratio.

CRITERIA #8

The next government should avoid increasing regressive taxes (including indirect taxes such as VAT, and council tax) that have a disproportionate impact on the finances of poorer households in the UK (unless they serve an explicit social purpose, such as a sugar tax to reduce childhood obesity).

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
Plan to keep both direct and indirect taxes low. Have committed not to raise VAT. Will increase personal allowance on income tax to £12,500 and higher rate threshold to £50,000 by 2020. Will continue referenda for high increases in council tax.	Have guaranteed not to raise VAT (but will remove VAT exemption on private school fees). Will increase income tax rates to 45% above £80,000 and to 50% above £123,000. Will not raise employee national insurance. Plan to review council tax rates.	No mention of VAT. Will gradually raise employee national insurance threshold to income tax threshold. Will add 1p to income tax at all brackets to fund the NHS and social care, and add 1p to dividend tax for the same purpose.	No mention of VAT. Will introduce a '*phased in abolition of the cap on employees' national insurance so that the wealthiest pay more*'.	Will '*keep taxation low*', raising income tax threshold to £13,500, and higher rate threshold to £55,000, by 2021/22. Will restore personal allowance to those earning over £100,000 '*when economic conditions allow*'. Will abolish VAT on domestic energy bills (and may cut VAT to compensate for any post-Brexit import tariffs). No increase in taxes or NI for self-employed. Will reduce vehicle tax, road tolls and, in future, air passenger duty.	The Scottish Government does not have the powers to change VAT or national insurance, but SNP MPs will back any plans to freeze VAT and NICs. Since 2016 they have had powers to set income tax rates and bands, and have frozen the basic rate of income tax. They support a UK-wide increase in the income tax rate for top earners (the additional rate) from 45p to 50p from 2018/19, and a freeze in further increases in Insurance Premium Tax.
SCORE: 5 / 10	SCORE: 6 / 10	SCORE: 7 / 10	SCORE: 7 / 10	SCORE: 5 / 10	SCORE: 7 / 10

TAXJUSTICE.UK ANALYSIS:

All parties are, to a greater or lesser extent, trying to ensure that the tax system does not become much more regressive than it is at present. However, it is Labour, the Greens, the SNP and the Lib Dems whose policies on income tax are more actively progressive (including the Lib Dems' across-the-board rise in income tax). The IFS (not known for their preference for equality over market efficiency) point out that the distributional impact of Labour's tax and benefit measures will hit the poorest half of society almost as hard as the Tories will, even if they hit the richest much harder; the Lib Dems are more balanced.

CRITERIA #9

The next government should plan to increase taxes on wealth and unearned income, for example by introducing a land value tax, increasing the rates of capital gains tax and all investment income taxes, and protecting inheritance tax from further threshold increases and from rate reductions.

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
No specific mention of any changes to taxes on wealth and unearned income (other than a general commitment to '*keeping taxes as low as possible*'). The evolving policy on social care (the so-called 'dementia tax') could be seen as a wealth tax, although the benefits are not socialised.	Will extend stamp duty on stocks and shares to other financial assets including derivatives (the 'Robin Hood tax'), introduce a levy on property speculators based in tax havens, and reverse recent 'giveaways' on capital gains tax and inheritance tax. Plans to review options for land value tax.	Will reverse recent cuts in capital gains tax, CGT extended relief and inheritance tax, and abolish marriage allowance. Will '*consider the implementation of Land Value Taxation*'.	Will introduce '*a wealth tax on the top 1% of earners*', a '*Robin Hood tax on high value transactions in the finance sector*', and '*inheritance taxed according to the wealth of the recipient*'. Will trial a '*Land Value Tax to encourage the use of vacant land and reduce speculation*'.	Will raise the inheritance tax threshold to £500,000 per individual (£1m for married couples or civil partnerships), with long-term aim to scrap inheritance tax.	The Scottish Government has few powers in this area, but SNP MPs will '*support the reversal of the reductions to the bank levy and introduction of a tax on bankers' bonuses'* in the UK.
SCORE: 3 / 10	SCORE: 9 / 10	SCORE: 7 / 10	SCORE: 9 / 10	SCORE: 0 / 10	SCORE: 6 / 10

TAXJUSTICE.UK ANALYSIS:

Labour and the Greens plan to actively increase taxes on unearned income; the Lib Dems will simply reverse recent cuts, while the SNP will support limited action across the UK, and the Tories do not plan any changes. Again (and leaving to one side the extent to which the Tory plans to use property wealth to fund in-home social care could be seen as a wealth tax), the Conservatives have missed an opportunity to tackle what Phillip Blond describes as 'asset, not income, inequality' - that the top 10% own 45% of wealth and the bottom 50% own just 9% - stating 'there can be no popular capitalism if people do not have capital'. Meanwhile, UKIP are contradicting their own pledge to 'speak up not just for the left behind but for the left out' by announcing a tax giveaway to the better-off through their plans to raise the inheritance tax threshold (although this is similar to current government policy).

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CRITERIA #10

The next government should ensure that the tax system does not reduce the liabilities of companies so they are subsidised by individual taxpayers (as has happened in the oil and gas sector, for example, by scrapping petroleum revenue tax and reducing the supplementary charge for oil companies).

Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
No specific mention.	Have published a separate *Tax Transparency and Enforcement Programme* to '*end the scourge of tax avoidance*'. Will introduce an 'excessive pay levy', close the 'Mayfair tax loophole' used by private equity companies, close the 'Eurobond loophole', clamp down on umbrella agencies, review existing Advanced Thin Capitalisation Agreements, and require large companies to publish their tax returns, and a series of measures around public contracts and procurement.	No specific mention.	Will replace '*subsidies to fossil fuels and nuclear with the clean green efficient renewable energy of the future*'.	Will end the use of Private Finance Initiative (PFI) contracts within the NHS.	The SNP says it has persuaded the UK government to launch a review into the use of Scottish Limited Partnership companies (which can be used to hide criminal activity and tax evasion). However, it also claims to have persuaded the UK Chancellor to abolish the petroleum revenue tax and halve the supplementary charge to 10 per cent, in support of the oil and gas sector in Scotland.
SCORE: 0 / 10	SCORE: 8 / 10	SCORE: 0 / 10	SCORE: 4 / 10	SCORE: 2 / 10	SCORE: 1 / 10

TAXJUSTICE.UK ANALYSIS:

Public anger about corporate tax avoidance is largely about companies 'cheating the system', but there is also real anger when the system itself is shown to be unfairly favouring larger companies over smaller companies and individual taxpayers alike, especially when it is in the gift of the government to redress these disparities quickly and to increase tax revenues as a result. It is to be hoped that some of Labour's detailed policy proposals in this area might be adopted by whichever party forms the next government.

Overall scores

Area	Conservatives	Labour	Lib Dems	Greens	UKIP	SNP
Tax avoidance and transparency						
HMRC resourcing	2	9	5	7	3	6
HMRC focus	3	8	6	7	7	7
Beneficial ownership registers	4	9	0	3	0	8
Country-by-country reporting	0	5	5	3	0	5
The UK's secrecy network						
Transparency in UK overseas jurisdictions	0	7	5	3	0	3
Tax 'competition'						
Corporation tax	2	8	6	8	4	5
Tax reliefs review	3	7	6	0	1	0
Tax fairness						
Regressive taxes	5	6	7	7	5	7
Wealth taxes	3	9	7	9	0	6
Tax parity	0	8	0	4	2	1
TOTAL SCORE (OUT OF 100)	22	76	47	51	22	48