

Press Release

Tax Policy Making in the UK

The TLRC today publishes a discussion paper considering tax policy making in the UK.

Five years have passed since the reorganisation of UK tax policy making. Since the O'Donnell reforms of 2004 lead responsibility and accountability have rested with HM Treasury and HMRC have been responsible for policy maintenance. The TLRC paper considers that this organisation of tax policy making has not worked as well as it should to produce clear and effective tax policies. The TLRC paper argues that if the new Government is to take steps aimed at improving the system of making UK tax law and simplifying the UK tax system, it should also address the organisation and functioning of tax policy making.

The paper considers how this might be done, either improving the operation of tax policy making within HM Treasury and HMRC, or by using a separate body for this purpose. If an Office of Tax Simplification ("OTS") is to be set up it may be appropriate to look at how the OTS could contribute to policy making. If the OTS were to have a role in dealing with perceived problems in the current tax policy making process, however, it would need to be more than an advisory body.

The discussion paper is published in order to encourage debate on these issues and to inform the TLRC's further work in this area.

Notes to Editors:

1. The Tax Law Review Committee (TLRC) was set up by the IFS in autumn 1994 to ask whether the tax system was working as intended, efficiently and without imposing unnecessary burdens. Its role is to keep under review the state and operation of tax law in the UK, which it does by selecting particular topics for study. It does not seek to question Government policy as such but to look at whether existing arrangements achieve the policy in a satisfactory and efficient way. The Committee's members represent a broad cross-section of informed opinion from industry and commerce, the judiciary, academia and the professions.
2. Sir Alan Budd has temporarily stood down as Chairman of the TLRC while chairing the Office of Budget Responsibility and has not been involved with the preparation of this paper.

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3. For further information please contact Robert Markless (IFS), Malcolm Gammie QC TLRC Research Director, (IFS) (mgammie@oeclaw.co.uk) or Tracey Bowler, the TLRC researcher involved in preparing the paper.

4. An electronic copy of the TLRC Discussion Paper no.8 on "Tax policy making in the UK" is available on our website at: <http://www.ifs.org.uk/comms/dp8.pdf>