

Aggressive tax avoidance

by Francis Bennion

In a letter you published on 2 March 2012 I cited your leading article of 29 February 2012 which said ‘Tax avoidance, or trying to minimise tax liability, is usually carefully distinguished from tax evasion . . . which usually involves dishonestly concealing taxable income [and] is illegal. Her Majesty’s Revenue and Customs (HMRC) is muddling this useful distinction by treating what it calls “tax avoidance” as objectionable’.

Now you report (29 March 29 2012) that in his budget speech the Chancellor of the Exchequer said ‘I regard tax evasion and, indeed, aggressive tax avoidance, as morally repugnant’. This follows the line taken by HMRC. No one knows precisely what the phrase ‘aggressive tax avoidance’ is intended to signify.

As a retired Finance Bill draftsman I find this attempt to create a new category of law by illegitimate means highly objectionable. As Judge Peter Crawford QC said (Letters, 5 March 2012) when supporting my letter, the place for making law is Parliament.¹

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For full version of abbreviations click ‘Abbreviations’ on FB’s website

References:

None

¹ Published in *The Times* 30 March 2012.