[EPSU expresses solidarity with tax inspectors and PCS union as UK government paves way for tax avoidance]

(19 June 2020) The UK government announced it will slash 2000 jobs in its tax administration (HMRC). PCS, the trade union representing the workers has rejected the plans. EPSU support this. At a time when governments pour billions into companies impacted by the pandemic, we need well-resourced tax administrations that can make sure that tax payers money does not end up in the coffers of corporations that avoid paying their taxes. The plans of the UK government are tantamount to letting robbers and thieves off the hook at a moment we need to strengthen oversight and control of them. In addition, as many staff have worked from home due to measures to contain the spread of the virus Sars-Cov-2, governments should first learn the lessons. Digitalisation of tax administrations is not guaranteed to improved efficiency as the case of Denmark shows.

An recent study of EPSU on job reductions in tax administrations highlights the need to invest in the prevention of tax evasion and fraud. The study shows that between 2008 and 2018, the austerity decade, 100 000 jobs have gone in tax collection services in 28 European countries including the United Kingdom. This means a 14.3% drop or around one in seven jobs. The pay and working conditions in tax administrations have worsened as a result. Digitalisation has not resulted in improved efficiencies across all administrations and needs careful introduction and consultation with the trade unions.

This report, carried out by the UK-based Labour Research Institute (LRD), is based predominantly on data from national tax authorities and EPSU affiliates with members working in tax authorities.

The report highlights that only 7 of 28 countries covered by the study have a specialized tax department for high net worth individuals “the super rich”. Recent years have seen a staggering increase in the amount of individuals and companies who do not pay their fair share of taxes and yet the study illustrates the lack of proactivity by most European governments to deal with the so-called super tax dodgers. Cutting in the number of staff in the UK shows that the UK government is preparing to make the UK a tax haven by not enforcing regulations and controls.

Jan Willem Goudriaan, EPSU General Secretary states “ Instead of investing in quality tax administrations, the UK government keeps reducing the means to chase up those who can pay tax but choose not to. We are in full support of the workers and their union PCS demanding well-resources and staffed tax administrations.“

COVID19 has produced a huge public income loss and an expenditure increase. If governments do not reverse disinvestment in tax administrations, their capacity of collecting taxes will continue to be undermined by the lack of staff. The experience in Denmark indicates that cutting staff and relying on technology is the best recipe for disaster. Following this “tax crisis”, the Danish government has now started to recruit more employees. Other countries should follow suit.

Governments are offering billions to companies. Companies that do not pay their taxes and which do not report transparently on their taxes should not get any public funding. To avoid public money being thrown in a pit of tax evasion and avoidance, oversight and controls need to be strengthened. We call upon governments to provide sufficient resources and staff in tax administrations to do so.

For more information : Pablo Sanchez psanchez@epsu.org 0032 (0) 474626633

For the full report in English

https://www.epsu.org/article/governments-offer-billions-corporations-tax-control-should-be-strengthened-says-epsu

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