UK tax competitiveness

Business forum on tax and competitiveness

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Tax system competitiveness needs to support the fiscal stability that is a precondition for business success

• The scale of the fiscal challenge has meant that the Government has had to make tough choices. While spending will contribute the largest share, tax measures must also contribute to fiscal consolidation.

• The Government’s priority is to return the UK economy to balanced, sustainable growth, and to provide an environment that supports business investment.

• What does this mean for tax competitiveness?

• The Government has prioritised reform of corporate tax and delivery of these reforms is key. What more needs to be done to restore UK tax competitiveness in the medium/long term?
What are the key strategic areas the UK should focus on to achieve tax competitiveness in the long term?

• Who does the UK compete with for business investment?

• What are the important factors for long term tax competitiveness?

• What direction should the Government aim to move the overall UK tax system in over the next 5 or 10 years?
Annex A: UK tax mix 2009-10

Receipts, 2009-10

- Income tax, 29%
- National insurance contributions, 20%
- Value added tax, 15%
- Corporation tax, 7%
- Excise duties, 10%
- Business rates, 5%
- Council tax, 5%
- Other, 9%

Source: OBR Economic and fiscal outlook November 2010

Tax Mix as a Percentage of GDP (2008)

Source: OECD