Business Forum on Tax and Competitiveness

The Corporate Tax Road Map
How should the Government approach corporate tax reform?

- The corporate tax road map is an opportunity to apply the Government’s new approach to tax policy making.

- To help provide predictability, stability and simplicity the Government plans to set out:
  - *its principles for corporate tax reform as well as policy objectives for specific areas*;
  - *how it intends to take reforms forward and how it will engage through effective consultation with business and other interested parties while doing so*; and
  - *a clear and realistic timetable for reform, which will also recognise the importance of stability to business*.

- Do you have any comments on the Government’s approach to tax policy reform?
What should be the Government’s priorities for reform?

• Building on the Budget package of corporation tax rate reductions, the Government is committed to:
  • further reform of the taxation of foreign profits (CFCs and Branches); and
  • consultation on the taxation of intellectual property (IP) and R&D tax credits.

• What other areas, if any, should be considered for reform?

• Getting reform of the wider corporate tax system right, within the fiscal constraints, will enhance the UK’s competitiveness.

• The road map approach should allow the range of priorities and links between different areas of tax reform to be considered.

• The Government hopes to build a business consensus around an affordable programme of reforms.
What principles should be applied in taking forward reform?

• The Government’s aim is to make the UK corporate tax regime the most competitive in the G20.

• A competitive tax system supports domestic investment and productivity, and helps attract international investment to the UK.

• As well as focusing on improving competitiveness, what is the forum’s view on more detailed principles that could underpin the Government’s approach such as:
  
  • Minimising distortions and avoiding complexity
  • Delivering a more territorial approach – fairly taxing UK activity and profit
  • Lowering rates through broadening the base
  • Improving fairness and levelling the playing field
Questions

• Do you have any comments on the Government’s approach to tax policy reform?
• Are there any key messages from your business on specific areas of corporate tax reform (for example CFCs or IP)?
• What other areas, if any, should be considered for reform?
• As well as focusing on improving competitiveness, what is the forum’s view on more detailed principles that could underpin the Government’s approach?
• What principles should be applied in taking forward reform?