

# Tax cuts for all

Tax is a necessary evil. We need substantial revenues to run a government and to provide decent public services. The UK believes in state payment for most people's health care and school education, whilst we need police, armed forces and intelligence services to help keep us safe. We also need to send money to those who cannot earn enough to support themselves and their families to an acceptable standard.

There is a common thread amongst politicians to want to use tax as a means of changing or controlling people's behaviour. Many favour so called sin taxes, imposing taxes on drinking alcohol, smoking or eating too much sugar, as a means of changing diets, ending smoking and cutting down on alcohol consumption. Government often is pulled both ways with such taxes. They both want high revenues from them to afford public services, and claim to want lower taxes as people cut out the sinful product. This reinforces the idea that taxes are bad news.

There is also common thread of redistribution in tax plans. Many politicians want to tax the rich because they do not want them to be so rich. The problem with this approach is it can act as a disincentive to behaviours which politicians usually claim to back. Taxes on the rich can become taxes on hard work, on saving, on investing, on building a business or on backing a good idea. Taken to excess taxes on the rich drive the seriously rich out of the country, demotivate the not so rich and create an atmosphere hostile to enterprise.

The UK currently has a very complex tax system, and high rates on various conducts. There is a high rate of tax on those who dare to invest in residential property, high taxes on motorists, on people who earn higher salaries and on buying a home in expensive parts of the country.

We need a tax simplification, and a move to lower rates. Working hard or buying a home should not be seen as a sin that needs curbing but as a free choice the government is relaxed about. People who set up businesses, take risks and create jobs should be particularly welcome, not objects of suspicion by the tax authorities.

This is why I continue to press government to have an early economy boosting budget that includes tax cuts. Income tax, Stamp Duty, VED and VAT cuts are much needed to boost our homes market, car market and to leave people more of their own money to spend.