

The burdens on business

Governments this century in the U.K. have delighted in increasing burdens on business and interfering in what companies can make and sell and how they do it. For much of the time the EU dreamed up most of the interfering for a U.K. establishment that went along with much of it. More recently governments have copied more EU laws or thought up some of their own.

The Thatcher government had a period when it got rid of a tax every budget, seeking to reduce the number of meddling low yielding high cost taxes. Now a combination of seeking more revenue and a fatal fascination with trying to change how companies and people behave has produced a welter of sector or behaviour specific taxes.

Business has to pay environmental levies, windfall taxes, emissions trading charges and the climate change levy on its energy, helping make the U.K. a high cost energy country and leading to the rapid run down of energy intensive business. There are planning fees, stamp duties, the aggregates levy on building. There is a landfill tax, a plastics packaging tax, a soft drinks levy, and a digital services tax, Travel incurs an Air Passenger duty, insurance a premium tax, ATOL licence fees, new car taxes and VED. Business generally pays an Apprentice levy, pays for the Pension Protection fund,. There is a betting and gaming levy. There is a better point to paying Land Registry fees and Company House fees to ensure title and company information when considering counter parties.

Many of these levels yield modest revenue, but all imply politicians know better than business and their customers, and say that without tax and regulation there would be bad outcomes. Each of these has a compliance cost for affected businesses, and for businesses that find out they do not need to comply.

This large top heavy edifice makes it more difficult for new and small businesses, and can tip large business into investing elsewhere. Most businesses know they need to look after their employees, be good neighbours and sell safe and good products. the minority of bad performers are law breakers, as it is against the general law to treat employees badly, to sell unsafe products or to damage the local environment. It does not need this blanket of targeted taxes to make these basic points.