

Press Release

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For immediate release

Accountants call for sweeping tax reform

MOVES to reform the tax system must introduce 'sweeping change' if the government is to succeed in its aim of attracting international investment, a leading tax expert is warning.

Stuart Rogers, International Tax Consultant at Target Chartered Accountants, has welcomed government plans to set up an Office for Tax Simplification, but argues that a more radical shake-up is needed if the UK is to compete internationally.

He said: "George Osborne's aim of making the UK tax system the most competitive in the G20 is more than a step in the right direction, but sweeping change is needed to achieve this.

"The UK tax system has not been competitive for many years. Canada is a prime example of a country which has identified our R&D system as susceptible and is, along with many others, trying to lure British businesses away with the promise of more favourable tax conditions," Stuart explains.

Stuart states that for tax reform to have any real impact the findings of the James Dyson report *Ingenious Britain* need to be prioritised.

"Whilst the government has made a start on reform, with a reduction in the headline rate of corporation tax and the introduction of the new Office of Tax Simplification, the UK desperately needs to do more to attract inward investment," he explains.

"The Tories commissioned the *Ingenious Britain* report to assess what measures could be taken to increase Britain's competitiveness as a centre of science, technology and innovation.

"Many of its recommendations would make the UK a much more attractive place for business. Some measures are already in the pipeline, such as the previous Government's 'patent box' proposal, but these need to be well thought through and extended to have a deeper impact," he said.

Stuart adds that if the government doesn't seize the initiative or have a consistent approach, it will be in danger of losing the confidence of business leaders.

“For example, it’s disappointing that given the contents of the Dyson report George Osborne has withdrawn the tax incentives for the UK’s £1bn per annum video games industry, something which had been introduced by the Labour government – Canada is already a real threat here,” Stuart explains.

“The danger is that in choosing not to continue with the proposals as they stood, the new government risks antagonising business owners and potential inward investors, who could potentially make their businesses more profitable by locating abroad,” he warns.

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Editor’s notes

Target Chartered Accountants

Target is a top 50* firm of chartered accountants working exclusively with entrepreneurial individuals and their businesses around the country. The firm has 11 directors and 180 staff working out of four UK offices in the Midlands, Bath, London and Reading. Established 11 years ago as a specialist tax consultancy, Target is a leading adviser in six core integrated service areas: Audit and Assurance, Business Services, Tax Planning, Corporate Finance, Financial Management and HR Consultancy. *(source: Accountancy Age magazine, 2010)