Restoring justice for taxpayers

UK taxpayers deserve a Bill of Rights and they need it now, says Dave Chaplin

Friends, colleagues and fellow tax advisors – we all share the goal of ensuring fairness under tax law. To guarantee citizens pay what the regulations demand, and not a penny more. Our work is vital for an orderly society.

Yet how often have we seen, case after case, the absence of basic rights and lack of oversight, allowing the machinery of government to run roughshod over its citizens? When the vagaries of an impossibly complex tax code allow room for alternate interpretation?

We've seen ordinary taxpayers denied basic justice, with people hounded by a tax authority that abandons reason whilst operating as judge, jury and executioner – answerable to none but themselves. Our clients become powerless before a tax authority that's run out of control.

Too often justice is denied. The scales of justice are weighted heavily against ordinary citizens, as an unrestrained tax authority tramples over basic rights. The state can reach deep into personal lives, upend careers, and demand sums that exceed the bounds of reason. Hard-working taxpayers made victims, with no avenue for grievance, without mortgaging one's home to afford justice.

The bad policing problem

Consider the harrowing ordeal of TV presenter Kaye Adams. Engaging an accountant's advice, she set up a company to offer her services, a typical arrangement for contractors and media figures. Her operation was above board, yet HMRC hounded her for nearly a decade over a trifling sum, inflicting legal costs exceeding three times the disputed taxes. How can this be just? How can this be right?

The iniquitous Loan Charge has ambushed over 50,000 people with extortionate back tax bills, devastating families, bankrupting parents and driving some to take their own lives out of sheer desperation. How much suffering must innocent people endure?

The sickness runs deep and is woven into the fabric of the system. MPs of all stripes now recognize that HMRC has morphed into judge, jury and executioner – absolute power with no accountability. A police force with no oversight tramples civil liberties. Only firm checks on authority can prevent such corrosion of justice.

We need a Taxpayer Bill of Rights

The Americans confronted similar problems in the 1990s. But their response was not resignation. The US tackled the issue head-on through bipartisan action, resulting in the <u>Taxpayer Bill of Rights</u> and the <u>Taxpayer Advocate Service</u>.

The American approach enshrined 10 cornerstone taxpayer rights in law, for example, the right to quality service, the right to pay no more than legally required, and the right to contest tax positions without fear of reprisal. Rights so self-evidently fair that they were willingly adopted.

The Taxpayer Advocate Service is an independent body that ensures citizens' rights are upheld by being both a watchdog and ombudsman, with the power to make corrective directions to the taxing authority.

We all understand the importance of HMRC, which should retain full authority to administer tax law. Still, under a new plan, they cannot contravene the statutory checks that preserve fairness. Our Taxpayer Advocate would track compliance, set rules for dispute resolution, and guard against overreach. Violations would be appealable to an independent arbiter.

Reform is a win-win

The US reforms drove measurable improvements: lower costs, reduced litigation and increased voluntary compliance, all without surrendering robust tax enforcement. The system became more user-friendly as protections were strengthened against potential abuse.

Most remarkably, reform united both sides of the aisle. Conservative and liberal alike recognized justice and wisdom in restoring balance. For once, lawmakers stood up for ordinary citizens against the machinery of government.

Like the US, we need a statutory Taxpayer Bill of Rights and an independent Taxpayer Advocate. We need firm rules to guarantee fairness from HMRC and channels to address grievances without fear of retaliation. We need to shift the balance back towards basic decency and fair play.

Fairness needs to be restored. Colleagues, our voices must unite to demand reform before the machinery of the state becomes more out of control. We possess the facts, the expertise and, above all, the moral authority to compel change. The Americans have shown us the way forward. We ignore it at our peril.

Help the Taxpayer Fairness Campaign

The campaign for tax fairness has begun and is gathering momentum. Parliament is listening, but MPs alone cannot drive reform. Public engagement is vital. But we need to speak as one people. The time for fairness is now!

I ask fellow professionals concerned with fairness to add your expertise to this cause. Lend your firsthand experience, so reform matches the reality clients face.

The time has come to restore faith that the system can police itself. That citizens will get justice.

Please join the movement at https://www.taxpayerfairness.org/

• Dave Chaplin is the Founder of the Taxpayer Fairness Campaign. Dave is a veteran campaigner, most notably around matters affecting the self-employed. He has led parliament protests, forced much-needed legislation delays and amendments, and collaborated with supportive MPs to enact positive change. Dave is also CEO of tax compliance firm IR35 Shield