



House of Commons  
Treasury Committee

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# Tax after coronavirus: response to the Committee's First Report of Session 2021–22

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Third Special Report of Session  
2021–22

*Ordered by the House of Commons  
to be printed 8 September 2021*

## The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue and Customs and associated public bodies.

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[Mr Steve Baker MP](#) (*Conservative, Wycombe*)

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Committee reports are published on the Committee's website at [www.parliament.uk/treascom/](http://www.parliament.uk/treascom/) and in print by Order of the House.

### Committee staff

The current staff of the Committee are Rachel Edwards (on secondment from the Bank of England), Kenneth Fox (Clerk), Dan Lee (Senior Economist), Adam McGee (Senior Media and Communications Officer), Aruni Muthumala (Senior Economist), Moyo Oyelade (on secondment from the Bank of England), Tony Verran (on secondment from HM Revenue & Customs), Adam Wales (Chief Policy Adviser), Maciej Wenerski (Committee Operations Manager), Jesse Williams (Committee Operations Officer), and Marcus Wilton (Senior Economist).

### Contacts

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You can follow the Committee on Twitter using [@commonstreasury](https://twitter.com/commonstreasury).

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# Report

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1. The Committee published its First Report of Session 2021–22, [\*Tax after Coronavirus: the Government's response\*](#), on 2 June 2021. In that Report, the Committee asked the Government to provide a clearer explanation of why it could not accept recommendations on tax strategies made by the Committee in its Twelfth Report of Session 2019–21, on *Tax after Coronavirus*.
2. The Committee received a letter from the Financial Secretary to the Treasury on 11 August 2021, constituting the Government response to its First Report. That letter is appended to this Report.

## Appendix: Response from HM Treasury

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### Letter from the Financial Secretary to the Treasury to the Chair of the Committee

#### Tax after coronavirus: the Government's response of June 2021

I thank the Committee for its continued engagement on this topic. The Committee's commentary on my response to its Tax after Coronavirus report takes the form of a further report. In particular, the Committee has asked for further explanation on the Government's position regarding tax strategy recommendations, and I am very happy to respond to this request.

As the Committee will be aware, this Government, like many of its predecessors, has set out some specific commitments and ambitions for the tax system in its election manifesto. But the Government also recognises that there can be value in publishing roadmaps to provide clarity and certainty over the long term development of different aspects of the tax system.

Two examples of this approach are the Tax Administration Strategy and the Corporate Tax roadmap. The Tax Administration Strategy has presented a forward view of the Government's plans to reform how tax is paid, rather than how much tax is paid or on what basis. This allows taxpayers, accountants, lawyers, agents and professional bodies to prepare for the future, but without limiting the ability of the Government to set policy. The Corporate Tax roadmap was focused on a particular and well-defined area of tax policy in the context of a commitment to cut rates over a number of years. Neither of these roadmaps covered broad tax strategy as such.

The primary objective of raising revenue by the Treasury is to fund public services and other public spending. The Chancellor is expected to make decisions on tax in the round at fiscal events, to ensure that the Treasury's tax planning can support the wider fiscal strategy in the face of changing economic conditions. Pre-announcing broad tax policy through a tax strategy could undermine this objective by fettering the Treasury's ability to respond to economic and fiscal circumstances, and would risk forestalling and other responses that would reduce revenues.

Rt Hon Jesse Norman MP

*11 August 2021*