

church action for Tax justice

July 2019

Please share this update with your friends and colleagues, or print off the [PDF version](#) and hand it out!

Welcome to the July 2019 Church Action for Tax Justice (CATJ) Newsletter

This month we have a large number of stories to report. I do hope you enjoy them all. If you have any suggestions for how we can improve the newsletter, please do get in touch

In this month's newsletter:

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CATJ News

- CATJ sent an [open letter to the new Prime Minister](#), Boris Johnson, calling on him "to begin the process of closing the loopholes that enable so much tax to be dodged."
- This month, CATJ had a [blog and article](#) published by Christianity magazine, written by our national coordinator, Dr Justin Thacker, which explores the possibility of taxes on the wealthy.
- CATJ also participated in the Fair Tax Conference - [see more below](#)
- CATJ hosted and spoke at an event in Birmingham, Tax for the Common Good, which was very well

attended.

- If you would like our national coordinator, Justin Thacker, to come and speak at your church or event, please get in touch
- CATJ is also delighted to announce that it has been offered funding of £25K per year as long as it can raise £25K in match funding, so if you would like to donate to support our work and in the process double the impact of your donation then you can do so via our website, or set up a regular donation by getting in touch by replying by email to this newsletter

Tax Gap



In June, [HMRC published their latest figures for the UK Tax Gap](#), that is the annual amount of tax that is uncollected through a range of avoidance and evasion measures. The latest figure stands at £35bn, that is an increase of 17% over the last three years. However, others, including [Taxwatch](#) and [Richard Murphy](#), have suggested the true figure is much, much higher, possibly as much as £90bn. That is £90bn that could have been spent on public services that is instead building wealth for tax dodgers around the

world. For me, it is a stark reminder of why campaigning for tax justice matters.

Gaming the Tax System

In July, Taxwatch released a [new report](#) which detailed the way in which the makers of Grand Theft Auto, a video game, had been dodging UK tax for some years. According to Taxwatch, the company has paid zero corporation tax in the last 9 years despite the company making a substantial UK profit. The company was able to avoid UK tax due to a combination of profit shifting to the US, and by being in receipt of tax credits to the tune of £42m. The company received these tax credits because apparently the game promoted British culture. This is despite the fact that it was not set in Britain, nor were any of the lead characters British.

\$5bn

Estimated operating profit
of Rockstar games
2013-2019

£42m

Total Video Games Tax
Credits claimed by
Rockstar North Ltd,
developer of Grand Theft
Auto V, between 2015-2017
- 19% of all tax credits paid
by government to the
industry.

£0

Total corporation tax
liability of Rockstar
companies in the UK
between 2009 and 2018



[The International Consortium of Investigative Journalists](#) have revealed how Mauritius, a small island off the coast of East Africa, has been involved in tax avoidance measures that have seriously affected the economies of many African states. What is particularly galling about their discoveries is that some of those involved have been at the forefront of anti-poverty campaigns in the global south.

[The Guardian has reported](#), for instance, that Bob Geldof's company used Mauritius as a vehicle to channel money for investment in Africa. Of course, it is entirely possible that tax dodging played no part in the decision to use this tax haven. However, as the Guardian points out, the question remains why would someone whose principle goal is to support the poor choose to operate in this manner.

The fact remains that many sub-saharan African countries feel forced to sign tax treaties that deprive them of much needed revenue, and so any businesses that channel African money through tax havens must at the very least be questioned.

WCC Zacchaeus Tax Campaign

At the UN High-level Political Forum on the Sustainable Goals, the World Council of Churches officially launched the [Zacchaeus Tax Campaign](#). The campaign draws on the Zacchaeus story and, in particular, his actions is paying back what he owed to argue that tax justice not just about fair international tax systems in the present, but also about reparations for past injustices.

The specific calls of the campaign include the following:

- We call for the enactment of progressive wealth taxes at global and national levels to curb the growing concentration of wealth in the hands of an increasingly powerful few, hand-in-hand with increased public spending to stamp out poverty.
- We demand a stop to tax evasion and avoidance by multinational corporations and affluent individuals.
- We urgently call for progressive carbon and pollution taxes at different levels to protect our only planetary home.
- We call for the immediate implementation of a financial transaction tax on trade in equities, bonds,

currencies and derivatives to curb harmful speculative activities.

- We call for the establishment from taxation of an Enslavement Reparation Fund overseen by a Global Commission for Reparatory Justice
- We demand debt cancellation as a further measure to bring reparation and restoration to nations impoverished by the transatlantic slave trade and struggling with the impacts of runaway climate change.

Immigration as Reparation

The July 2019 [Taxcast](#) by the Tax Justice Network features a special interview with Suketu Mehta in which he argues for 'Immigration as Reparation'. His point is that Western countries owe a triple debt to the poorer parts of the world due to the ongoing tax dodging by multinational corporations, the impact of climate change (which has largely been caused by the West) and the legacy of colonialism. He suggests the best way to repay that debt is via open borders. Hence he advocates for immigration as reparation. The podcast is fascinating and well worth a listen.

Fair Tax Conference



On Friday 5th July, Fair Tax Mark held their annual Fair Tax conference as part of Fair Tax Week. The theme of the conference was 'Say what you pay with pride', and was a celebration of those companies and organisations that are proud to pay their fair share of tax, and who have been awarded the Fair Tax Mark in recognition of this. As part of the conference, [Church Action for Tax Justice](#) (CATJ) and the [Ecumenical Council for Corporate Responsibility](#) (ECCR) led a workshop exploring the purpose of Tax Justice Sunday, and why as Christians we should be supportive of Tax Justice initiatives.

During the workshop, Justin Thacker, CATJ's national coordinator, introduced some of the thinking as to why tax is a Christian issue, drawing attention to the fact that everyone is born with equal value and dignity, that redistribution is at the heart of our faith and that no-one should be left out. He then turned to what a tax system that reflected these values would look like and spoke of

the role of tax havens in hiding money both from the UK exchequer and from many developing countries. He discussed the way in which reform of some UK taxes could lead to a fairer society including especially council tax and also mentioned the possibility of new taxes on wealth. He then spoke of the importance of Christians engaging on these issues by talking about them, using social media and writing to MPs.

In brief:

[Actionaid have produced two new briefings on Corporate Income Tax, and Personal Income Tax](#)

[Tax Justice Network have released the new Corporate Tax Haven Index](#)

[Fair Tax Mark launch Councils for Fair Tax Declaration](#)

And finally...

When you reap the harvest of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Do not go over your vineyard a second time or pick up the grapes that have fallen. Leave them for the poor and the foreigner. I am the Lord your God. (Leviticus 19:9,10)



I love this painting, *The Gleaners*, by Millet from 1857. In it he depicts three rural peasant women collecting the leftovers from the harvest. In the distance, you can see the sheaves of corn ready to be transported, and an overseer sitting proudly on horseback. But in the centre of the picture are the three women, working hard, collecting what they can. When it was painted, the wealthier parts of French society disliked it because it threatened one of the narratives of wealth and poverty that we still hear today - namely the myth of the hardworking wealthy and the undeserving, lazy poor.

The painting though has obvious biblical overtones. The passage from Leviticus 19 makes its instruction clear, and it is a reminder that extracting every bit of profit is not what we should be about. This is what is meant by a Sabbath Economics. While a pure capitalist economics might say that profit maximization is the only game in town, a sabbath economics encourages us to pursue an economy of enough and an economy of redistribution. Leaving the gleanings may not be the kindest or most appropriate way to redistribute, but it is at least one way, and as a symbol it challenges the profit only mindset that characterises far too much of our present society. The question for each of us is in what way are we redistributing our wealth to others who need it more.

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