

In this month's newsletter:

- [CATJ News](#)
- [Super rich pay less tax than the poorest](#)
- [Taxwatch reveals tax haven links to bailout companies](#)
- [In brief...](#)
- [And finally....\(our biblical reflection for the month\)](#)

## CATJ News

### **CAMPAIGN WIN: Tax Havens and Corporate Bailouts**

Last month, we reported how the Welsh and Scottish governments had responded to campaign pressure and refused bailouts to firms registered in tax havens. Last week the chancellor, Rishi Sunak, appeared to make moves in a similar direction. [In announcing a large support package for a UK steel company](#) the government also indicated that the bailout required "commitments to protect jobs, climate change and net zero targets, improved corporate governance, such as restraints on executive pay and bonuses, and tax obligations". This follows mounting pressure from a variety of sources including Taxwatch research (see below), an [Early Day Motion in parliament](#), in which CATJ's campaigning was noted, and a debate in the house of commons. At the same time, CATJ joined in with a coalition of organisation to sign [a joint letter to the Prime Minister](#) asking for a range of conditions to be applied to future corporate bailouts. All of this comes at a time when [a new poll](#) reveals that only 6% of the UK public want the economy to remain unchanged when the pandemic is over. Approximately 60% want to see change, and half felt it had deepened existing inequalities.

### **More CAMPAIGN WINS: automatic exchange of information**

For decades, [tax justice campaigners have been calling for greater transparency concerning the financial assets hidden in tax havens](#). Back in 2005, Richard Murphy and John



Christensen had made the case for some form of automatic exchange of information between

“Automatic exchange of information is a game changer. This system..is providing countries around the world, including many developing countries, with a wealth of new information, empowering their tax administrations to ensure that offshore accounts are being properly declared. Countries are going to raise much needed revenue, especially critical now in light of the current COVID-19 crisis, while moving closer to a world where there is nowhere left to hide.”

OECD Secretary General

offshore financial centres and governments. A few years ago, the OECD implemented some measures in this direction and in the last few weeks [they have announced their impact](#): 84 million accounts worth a total of \$11.2 trillion have now been revealed. This is a staggering increase from just \$1.2 trillion of assets in 2017 and represents a major win for tax campaigners. This is money that, in theory at least, could now be subject to tax. It is at least out in the open. Twenty years ago, tax campaigners were told this kind of thing could never happen. Now it

has. The campaign for tax justice takes time but as Martin Luther King said, while the arc of the moral universe is long "it bends towards justice".

### **CALL to ACTION: US withdrawal from global tax talks**

The US is pulling out of the negotiations that might have reformed global tax rules. We are asking our supporters to write to the chancellor to ensure that Britain does not give in to these US tactics and that we prioritise the needs of developing countries in the discussions. We have provided a template letter that you can use. Read [more here](#)

### **A Fair Share for a Fairer World - our statement in light of coronavirus**

CATJ have released a statement indicating their priorities for tax justice in light of coronavirus. These included conditions on bailouts, an excess profits tax, equalisation of income taxes, an annual wealth tax, strengthened HMRC, green investment and a global tax settlement that helps poorer countries. Read [more here](#) Our statement comes after CATJ [signed a joint statement](#) with a range of progressive groups led by Tax Justice UK that called for a similar set of measures

### **Tax Justice Sunday Survey (1 minute to complete)**

We would be very grateful if you would complete this 1 minute survey about tax justice sunday. Click on the link below:

<https://www.surveymonkey.co.uk/r/CCFG3F7>

## What action can I take?

If you have:

- 10 seconds - go on social media and share / retweet one of our posts as a way of spreading the message about tax justice OR perhaps send out this newsletter to people you know encouraging them to sign up for themselves on our website [www.catj.org.uk](http://www.catj.org.uk)
- 5 minutes - read and share our statement - [A Fair Share for a Fairer World](#) or use it as a discussion starter with your friends.
- 35 minutes - watch and then share [our online tax justice service](#)
- 45 minutes - send a letter to the chancellor about the US withdrawal from the global tax negotiations [using our template letter here](#)
- 1 hour - join a [Money Makes Change taster session](#)

In addition, please also continue to pray for our work and consider supporting us financially.

## Supporting us

Thankyou to all those who have signed up for monthly donations. If you can give just £5 a

month that can make a real difference to our work.

**DONATE**

### Super rich pay less tax than poorest

New analysis by two academic economists Arun Advani and Andy Summers has revealed the extent to which the amount of tax paid by the super rich varies with one in ten millionaires paying less tax than those earning £15,000 a year. They looked at the tax paid by everyone earning over

£100,000 and discovered that the effective tax rate does increase between incomes of £100,000 and £500,000 but from £500,000 onwards it actually decreases so that those earning £5 million or more pay significantly less than those who earn less. Once you earn more than about £5million you pay an average tax rate of approximately 28% - much, much less than both those on normal incomes and even those earning just one or two million.

There's a blog post [here](#) with a link to the full report.

**The average person with total remuneration of £10 million had an effective tax rate of just 21%: less than the rate that would be paid by someone on median earnings of £30,000**

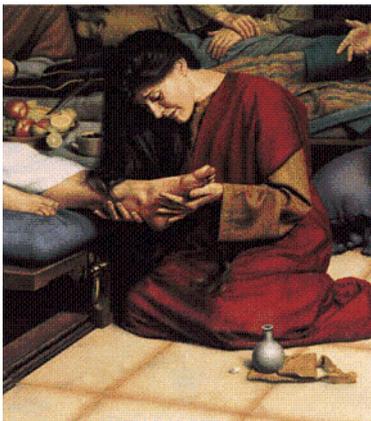
[Taxwatch reveals tax haven links to bailout companies](#) Taxwatch research has shown that of

the £16bn already given out in corporate bailouts, just under a third of the money has gone to companies with links to tax havens. This represents a quarter of the firms involved. Read [more here](#)

### In brief...

- [Fair Tax Mark release latest poll showing increased support for fair tax policies](#)
- [IPPR report reveals that up to 45% of furlough scheme going to landlords, banks and lenders](#)
- [Amazon / ebay required to collect VAT on UK sales by overseas retailers to combat fraud worth £1.5bn a year](#)
- [New report from Resolution Foundation shows impact of lockdown on families: poorest take on more debt while richest save more](#)

### And finally....



*The poor you will always have with you, but you will not always have me (Matt 26:11, see also Mark 14:7; John 12:8)*

I love this verse. It is one of the more well-known sayings of Jesus, said in the context of a lavish gift of perfume which has just been poured on his head. Judas Iscariot – ever the economist – bemoans the waste of money and feigns a concern for the poor to whom the money could have been given. But Jesus rebukes him. The significance of the passage for us though is the way in which it has been abused by all kinds of commentators for their own political ends. In particular, some have used it to argue that we have no responsibility to do anything about poverty because, as Jesus said, the ‘poor will always be with you’.

But that is a gross misunderstanding of what is going on here. For Jesus’ statement is an almost direct quotation from Deuteronomy 15:11 “There will always be poor people in the land.” And as the verse continues, the author makes it clear how we should respond: “Therefore I command you to be open-handed towards your fellow Israelites who are poor and needy in your land.” What we have here then is a both an empirical statement—‘There will always be poor people’—and an ethical imperative—‘Therefore I command you to be generous’.

There is a useful parallel with sin in this. We all recognise that sin is inevitable; that it will always be with us. But none of us thinks that means we should not do all we can to try and eradicate it. In the same way, the inevitability of poverty and inequality is no more a prescription for passive acceptance than it is in regard to sin. Yes, the poor will always be with us, but rather than a message of passivity, it is in fact a call to action.

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