

# church action for **Tax justice** *for the common good*

## September 2019

Welcome to the September 2019

Church Action for Tax Justice (CATJ) Newsletter

### [CATJ News](#)

The CATJ management committee received and approved a new three year strategy in September. This strategy will focus on two streams of work. Nationally, the context of our campaigning will remain tax for the common good, how to create a fairer society, but with a particular focus on wealth taxes. Internationally, CATJ will focus on providing support to the World Council of Churches initiated Zacchaeus Tax Campaign. As will be clear from the news stories below, both of these priorities resonate with the approaches of a number of other organisations and CATJ is pleased to be working in partnership with them all to achieve our goals.

In order to deliver this work, CATJ has ambitious plans for growth and, as reported last month, we have already been offered a donation of £25k per annum as long as we can raise match funds to the same amount. Such funding would enable us to employ the required staff to deliver the strategy. Therefore, if you would like to donate to support our work and in the process double the impact of your donation then please get in touch by replying to this newsletter or by donating via our website.

Our national coordinator, Justin Thacker, now has a series of speaking engagement across the country, but if you would like him to come and speak at your church or event, please also get in touch.

On Saturday 5th October in Edinburgh, CATJ will be taking part in the [Good Money Week event organised by the Church of Scotland](#). The event is free so if you are able, do come along and say hello.

Incidentally, you may have noticed we have made some tweaks to our logo, adding a strap line - for the common good - and an icon which represents the fairness and equality we all seek. We hope you like it.



### [Faith and attitudes to Tax](#)

The OECD [have published a report](#) exploring attitudes to Tax across a range of countries. but with a particular focus on developing countries. Alongside age, level of education, trust in government and being female, they have discovered an association between religious commitment and tax paying, noting that "Individuals who claim a faith or religious identity have more positive attitudes towards paying taxes."

### [IPPR call for equity in taxing wealth](#)

The Institute for Public Policy Research (IPPR) have launched a new report, [Just Tax: Reforming the Taxation of Income from Wealth and Work](#), which highlights the unfairness that UK taxes on wealth are far lower than taxes on income. They have produced a fantastic little video, [available here](#), that illustrates the problem.



In response, they are calling for two specific measures: firstly, that capital gains are taxed at the same rate as income is tax; and secondly that all sources of income (work, dividends, savings) are taxed collectively on a simple progressive income tax basis. Interestingly, the fact that the [FT have recently pointed](#) out that the UK public doesn't understand the complex UK tax rules lends further weight to these proposals.

At the same time, Tax Justice UK, [have launched their new 3 year strategy](#) which supports the IPPR findings and also has a focus on finding better ways to tax wealth.

### [Oxfam renew focus on wealth taxes](#)

Oxfam have launched [a new campaign that has a particular focus on wealth taxes](#). They point to how wealth inequality is growing at a much faster rate than income equality with the world's billionaires seeing an increase in wealth of \$2.5bn a day while the poorest half of the population saw an overall decrease in wealth of 11%. In response, they are calling for a new net wealth tax and are asking people [to sign a petition](#) to support their campaign.

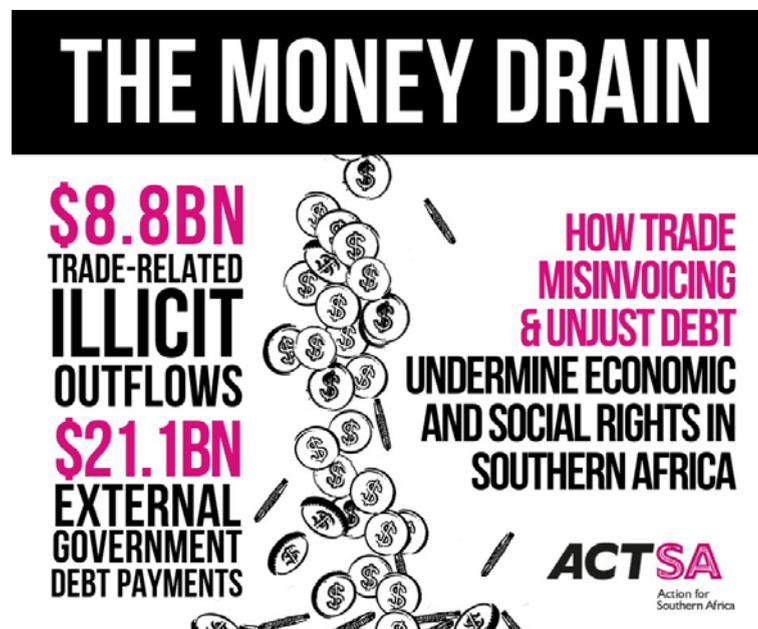
### [Southern African Money Drain](#)

Action for Southern Africa (ACTSA) have [released a new report, The Money Drain](#), highlighting the huge amounts of money that flow out of Southern Africa in illicit financial flows and debt payments. According to their research, the region loses a total of almost \$30bn a year through these mechanisms. This is money that could and should be spent on economic and social development in the region.

Of course a significant proportion of this loss relates to the behaviour of multinational corporations in shifting profits to tax havens as a way of avoiding paying tax in the southern African region. In response ACTSA are calling for:

- Crack down on secrecy jurisdictions and tax havens, including by: creating public registries of all beneficial and direct owners of companies and trusts; developing a system of automatic exchange of financial information that works for SADC countries; and making public country-by-country reporting mandatory for all multinational corporations.
- Support the establishment of an independent and well-resourced international commission on tax to set rights-based international tax policies and coordinate international initiatives on tax, including those that aim to combat trade misinvoicing and other illicit financial flows

It is interesting that this last point is also one supported by the WCC Zacchaeus Tax Campaign.



### [Let's eliminate extreme global poverty](#)

In related news, Alex Cobham, Chief Executive of the Tax Justice Network, has written that '[We could eliminate extreme global poverty if multinationals paid their taxes](#)' He points out that collectively low income countries lose approximately \$200bn per year in lost tax revenues. In relative terms, this figure represents a significant proportion of total income for those countries and it dwarfs by a factor of 2 to 3, the total amount that is given each year in aid. Cobham points out that if that money was instead given directly to the poor then in one go it would eliminate extreme global poverty. It is for all these reasons that the WCC Zacchaeus Tax Campaign says we should not think of aid as giving, but rather as reparations for debts that are already owed.

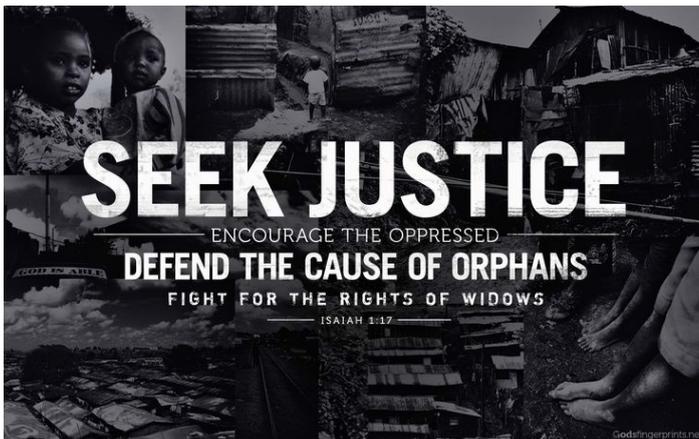
### [In brief:](#)

[The Laundromat](#), a movie starring Meryl Streep, which tells the story of the [Panama Papers](#), premiered at the Venice Film Festival. The film goes live on Netflix on October 18th.

### [Fair Tax Mark have received funding to develop an international version of the Fair Tax Mark](#)

### [The International Monetary Fund says up to 40% of foreign direct investment is bogus and is designed to avoid paying tax](#)

### [And finally...](#)



*When you have finished setting aside a tenth of all your produce in the third year, the year of the tithe, you shall give it to the Levite, the foreigner, the fatherless and the widow, so that they may eat in your towns and be satisfied.*

Deuteronomy 26:12

As you will be aware, one of the repeated refrains throughout the whole of the scriptures is an emphasis on our responsibility to care for four particular groups: the poor, the widow, the orphan and the immigrant. In different verses, three or four of these groups frequently appear in combination (Ps 146:9, Isa 1:17, Mal 3:5, Zech 7:10, James 1:27). In the Deuteronomic verse, the emphasis is on our responsibility to care by paying our tithe, the equivalent some might say of our current tax system.

What many commentators have pointed out however is that what links these four groups is not so much their economic plight - their material poverty as such - but rather their vulnerability. They lacked social status, and it is that relative powerlessness that made them vulnerable to the exploitation of others. This for me is a reminder that a fairer tax system is not just about generating resources to meet a particular need (thought it is that), but it is also about fostering genuine social equality. It is about empowering people so that they are not vulnerable to the exploitation of others. It is about justice.

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