

Press release: Office of Tax Simplification: Annual Report 2016-17

The Office of Tax Simplification (OTS), the independent adviser to government on simplifying the UK tax system publishes its first [annual report](#) today Monday 26 June 2017.

The report, a feature of its new statutory footing, also covers the period since it was set up on an informal basis in July 2010 and looks forward to the full and challenging agenda ahead.

On the publication of the OTS's annual report, the Financial Secretary to the Treasury and Paymaster General, Mel Stride, said:

The Office of Tax Simplification makes a valuable contribution to the public debate around tax, supporting the creation of a simpler tax code and challenging the government to deliver it.

To date we have implemented over 200 of the OTS's recommendations and will continue to carefully consider its advice.

The tax profession is strongly supportive of tax simplification. The new president of the Chartered Institute of Taxation, John Preston, spoke in his inaugural address of:

... the unquestionable need to simplify the UK tax system.

The work of the OTS

The OTS represents the first endeavour in the world to bring a systematic and thoroughly researched approach to advising government on tax.

To date the OTS has made over 450 recommendations, with over half accepted and another quarter remaining under consideration, improving the user experience of millions of UK tax payers. It has built up a strong reputation with individuals, businesses and professional advisers as well as within government.

The OTS provides:

- reports offering practical recommendations (such as a cash basis for calculating the tax for the smallest unincorporated businesses)
- analysis that shines a light on challenging structural issues (such as its reports on where the key hurdles and costs lie in the options for aligning income tax and national insurance contributions)
- insight into wider changes in the economy (such its focus paper on the

Gig economy)

- an important conduit into government to raise tax complexity issues

The OTS is in unique position to highlight issues, stimulate debate and act as a catalyst for positive change, being strongly connected within government, having exceptionally wide access to a range of deep expertise from outside government and speaking with an independent voice.

The OTS has developed ground breaking ideas on complexity, put forward ideas that have beneficially affected millions of taxpayers, brought a range of difficult areas into the open for debate and emphasised the importance of simplification being integral to tax policy thinking.

Looking ahead

The OTS's next reports, due out within the next few weeks, will cover routes for simplifying the corporation tax computation and reform of the out of date paper stamping procedures still required for some transactions that attract stamp duty.

The OTS is also currently working on a report on VAT, for publication in the autumn and planning how best to address the full and challenging agenda that lies ahead.

Notes for Editors

The OTS advises the Chancellor on tax simplification; it does not implement changes – these are a matter for government and for Parliament.

The OTS team is led by Chairman Angela Knight CBE and Tax Director Paul Morton and has a small staff drawn from HM Treasury, HM Revenue & Customs and the private sector.

The work of the OTS is rooted in improving the experience of all who interact with the tax system. It aims to reduce the administrative burden – which is what people actually encounter in practice – as well as simplifying the rules. Simplification of the technical and administrative aspects of tax are each important, both to taxpayers and HMRC.

The Office is particularly indebted to John Whiting CBE who led the OTS from the summer of 2010 until March 2017 and to the Rt Hon David Gauke MP (now Secretary of State at the Department for Work and Pensions), whose support helped establish it as a statutory part of the tax landscape in the UK.

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