

## Motion – Councils for Fair Tax Declaration

### Amendment

Delete:

- “- doing what they can within existing frameworks and pledging to do more given the opportunity, as active supporters of international tax justice”;
- “sign and approve the Councils for Fair Tax Declaration” to the end of the Motion.

Insert (after point 6 of the section This Council believes):

7. It is HM Revenue & Customs’ responsibility to ensure that companies pay a fair amount of corporation tax on the profits they make, and for the Government to ensure they have the legislation and resources they need.
8. Tackling multinational profit-shifting involves negotiations with international trading partners and entering into multilateral agreements.
9. Local authorities cannot second-guess national and international tax law or HMRC’s and the courts’ application of it.

Insert (in the section This council resolves to):

1. Lead by example and demonstrate good practice in our tax conduct, right across our activities.
2. Ensure IR35 is implemented robustly, and contract workers pay a fair share of employment taxes.
3. Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.
4. Promote Fair Tax Mark certification especially for any business in which we have a significant stake and where corporation tax is due.
5. Encourage contractors and suppliers to have good tax practices.
6. Instruct the Cabinet Member for a Fairer Chelmsford to write to the Chancellor of the Exchequer to express our concern at the level of corporate tax avoidance the Government is still tolerating.
7. Sign and approve the Councils for Fair Tax Declaration only to the extent set out above.

## **Amended Motion:**

“This Council notes

1. The pressure on organisations to pay their fair share of tax has never been stronger.
2. Polling from the Institute for Business Ethics finds that “corporate tax avoidance” has, since 2013, been the clear number one concern of the British public when it comes to business conduct.
3. Two thirds of people (66%) believe the Government and local councils should at least consider a company’s ethics and how they pay their tax, as well as value for money and quality of service provided, when awarding contracts to companies.
4. Around 17.5% of public contracts in the UK have been won by companies with links to tax havens.
5. It has been conservatively estimated that losses from multinational profit-shifting (just one form of tax avoidance) could be costing the UK some £17bn per annum in lost corporation tax revenues.
6. The Fair Tax Mark offers a means for business to demonstrate good tax conduct, and has been secured by a wide range of businesses across the UK, including FTSE-listed PLCs, co-operatives, social enterprises and large private businesses.

This Council believes that:

1. Paying tax is often presented as a burden, but it shouldn’t be.
2. Tax enables us to provide services from education, health and social care, to flood defence, roads, policing and defence. It also helps to counter financial inequalities and rebalance distorted economies.
3. As recipients of significant public funding, local authorities should take the lead in the promotion of exemplary tax conduct; be that by ensuring contractors are paying their proper share of tax, or by refusing to go along with offshore tax dodging when buying land and property.
4. Where councils hold substantive stakes in private enterprises, influence should be wielded to ensure that such businesses are exemplars of tax transparency and tax avoidance is shunned.
5. More action is needed, however, as current and proposed new UK procurement law significantly restricts councils’ ability to either penalise poor tax conduct (as exclusion grounds are rarely triggered) or reward good tax conduct, when buying goods or services.
6. UK cities, counties and towns can and should stand up for responsible tax conduct.
7. It is HM Revenue & Customs’ responsibility to ensure that companies pay a fair amount of corporation tax on the profits they make, and for the Government to ensure they have the legislation and resources they need.

8. Tackling multinational profit-shifting involves negotiations with international trading partners and entering into multilateral agreements.

9. Local authorities cannot second-guess national and international tax law or HMRC's and the courts' application of it.

That councils have an important role to play in ensuring their contracts and supplies arrangements are set up to support Fair Tax ethics.

This Council resolves to

1. Lead by example and demonstrate good practice in our tax conduct, right across our activities.
2. Ensure IR35 is implemented robustly, and contract workers pay a fair share of employment taxes.
3. Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.
4. Promote Fair Tax Mark certification especially for any business in which we have a significant stake and where corporation tax is due.
5. Encourage contractors and suppliers to have good tax practices.
6. Instruct the Cabinet Member for a Fairer Chelmsford to write to the Chancellor of the Exchequer to express our concern at the level of corporate tax avoidance the Government is still tolerating.
7. Sign and approve the Councils for Fair Tax Declaration only to the extent set out above.