

HISTORY OF TAX - THE MERGER BETWEEN HM CUSTOMS AND EXCISE AND THE INLAND REVENUE

On 24 June Professor Penelope Tuck, Dr Dominic de Cogan and Dr John Snape gave the first virtual History of Tax session, considering the background to the merger between HM Customs and Excise and HM Commissioners of Inland Revenue to form HM Revenue and Customs. To some of this, this is very recent history, but the merger was now 15 years ago.

The talk was part of a wider research project on the oral history of tax policy making, funded by the CIOT, which is designed to capture the voices of those involved in key tax developments to supplement documentary evidence. This strand of the project involved interviews with a number of those involved in, or impacted by, the merger, which added a fascinating dimension.

Penelope, Dominic and John considered the period up to the merger, and explained that it was not unique, although it could be described as “characteristic”. Putting the merger into the wider historical context, it was one event on a historical continuum that started with the merger of the Boards of Stamps and Taxes in 1834, and continued to the merger between the Inland Revenue and the Contributions Agency in 1999, so mergers of this sort were not new. The merger, which was a recommendation of the 2004 review by Lord O’Donnell “Financing Britain’s Future”, was one element of the Blair Government’s work to put fairness and efficiency at the heart of policy making and recognised that tax is more than just raising revenue.

They considered, using quotations by those who lived through the merger, what it achieved and the differences between the two original departments. To an outside observer, the perception was always that HM Customs and Excise was a more aggressive department, partly due to the enforcement powers that were vested in its staff, and this perception was confirmed, at least in part, by the presenters. The reality was, as also emerged, rather more complex.

Following the presentation, we were fortunate to have Victor Baker (Senior Technical Policy and Technical Advisor at HMRC) give his personal reflections on the merger. Paul Morton, Master of the Worshipful Company of Tax Advisers, who started his career in the Inland Revenue, was also able to add his own memories.

We hope that Penelope, Dominic and John will come back and present further strands of this particular tax research project, hopefully in person rather than by videoconference.

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June 2020