



## **Tax system too complicated**

Two thirds of UK companies think the tax system has become more complicated over the last five years.

A poll carried out on behalf of the Institute of Directors (IOD) also showed that half of all respondents claimed to be spending increasing amounts on tax planning and compliance.

“Complexity in the tax system absorbs resources, clouds commercial decisions and can make the UK a less attractive investment location,” said Richard Baron, Head of Taxation at the IOD. “Along with over regulation, complicated tax rules are choking the life out of small businesses.”

The tax system is also said to be having a negative impact on the UK’s international competitiveness and the IOD survey showed growing business concern and belief in the need for tax reforms.

On employment tax the following areas were highlighted as in most need of simplification: benefits in kind, employees’ business expenses, national insurance, statutory sick pay, statutory maternity pay and staff joining and leaving procedures.

On a more positive note the survey did reveal some confidence from business in the new HM Revenue & Customs. While 63% of respondents said their relationship with HMRC had stayed the same over recent years, 18% thought it had actually got better.