

OTS Complexity project

The OTS Complexity Index

Soon after the Office of Tax Simplification (OTS) was established, we were inevitably challenged on ‘what is simplification’. The answer to that question was couched in terms of making the tax system easier to deal with for all concerned – taxpayers, agents and HMRC – with the important connotation that it encompassed both technical (i.e. legislative) simplification and administrative improvements. Indeed, the latter has become the more productive area for simplification in many ways.

However, discussion of the definition of simplification in turn raised the question of ‘what is complexity’. Our first small business project spent time ascertaining small businesses’ views on what to them were the main causes of complexity¹. With these results, and the general experience of our first year’s work, we took on a general project on complexity, with the broad aim of answering that question and trying to develop some lessons on how to avoid adding to complexity. This would be part of our legacy to those who come after us.

Our complexity project has a number of strands but the main component is the subject of this paper: the development of a complexity index.

The purpose of the index

The index was originally designed to give a single ‘star rating’ for each area of tax. This could be used to prioritise future OTS projects - as it would be possible to identify, on a relative basis, which areas of tax are most complex².

It is important that the index be able to indicate not only which areas of tax are most complex, but also why. This informs the structure of the index: the requirement for the index to be a diagnostic tool has not changed over time, although other uses of the index are also possible and are discussed below.

¹ The report is published, as are all the OTS’s papers on our website at

www.gov.uk/government/organisations/office-of-tax-simplification ; as can be seen, the top three causes of complexity were established as (1) volume of change (2) PAYE/NIC boundary issues (3) HMRC administration.

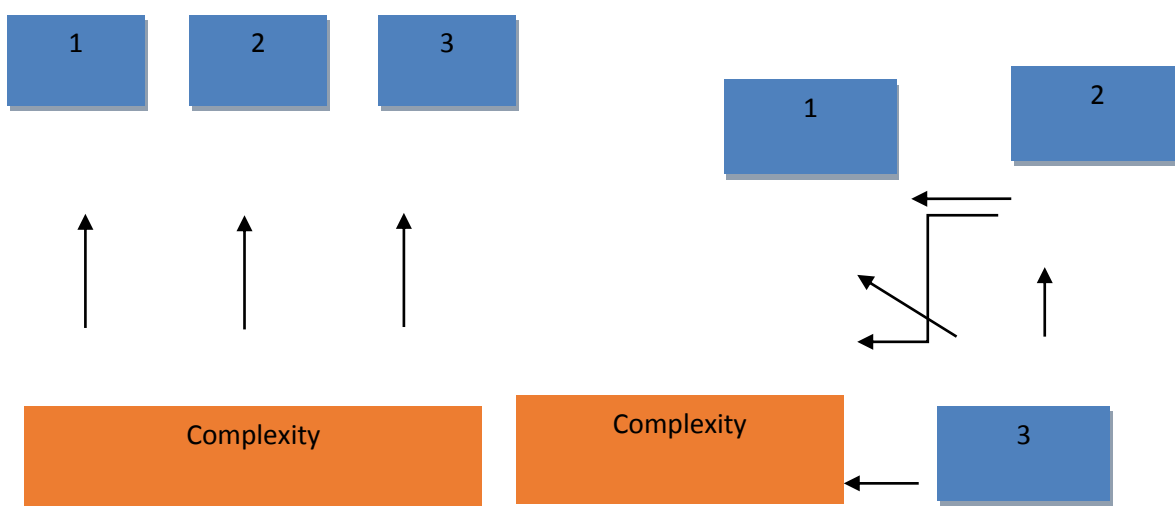
² The index is naturally focussed on the tax system but we have been aware from the outset that the principles and structure used could make it usable on other areas of legislation. With this in mind, the OTS has shown the index to people involved in other areas of the law and informal feedback has been positive. Inevitably some different indicators would have to be developed: for example, avoidance risk would not be relevant in many areas but assessment of guidance probably would be.

This document sets out a final version of the OTS’s methodology for assessing the relative complexity of a tax measure. By ‘tax measure’, for these purposes we mean a chunk of legislation (normally primary, but also including secondary legislation where relevant) describing and setting out the rules for a part of the tax code. Following on from further comments (including at a presentation delivered at the International Tax Analysis Conference in January 2014³) the index has been modified to measure relative tax complexity more accurately. This has included simplifying the weightings system substantially to remove the need for a potentially confusing aggregation formula, as well as some changes to the indicators used⁴.

The constitution of what is, and isn’t, complex changes with the cultural, socio-economic and technological climate. As the tax system evolves, the assumptions the index is based on could change; as an example, if annual changes were no longer made in a single Finance Bill, it would require a change to the “number of Finance Bills” section of the index⁵. The index will require monitoring to ensure the indicators are kept up to date. Thus work on complexity is not complete, and indeed probably never will be!

The index is still best used as a diagnostic tool rather than as a rigorous academic analysis of complexity. The index is valuable in identifying what areas of tax are most complex and why, but the measuring factors it uses are indicators (i.e. symptoms) of complexity rather than the direct causes. And it is important to remember that it is a relative measure, not an absolute measure of complexity.

As a diagnostic tool, it succeeds, which gives it a good variety of uses and applications. However, it may not as a precise measure of complexity as there may not be 1:1 mapping between complexity and the indicators: there could be complex interactions between indicators. This is compounded by difficulties in establishing an objective definition of complexity.



³ See www.esrc.ac.uk/hmrc/conference

⁴ For example, avoidance risk was changed significantly.

⁵ Those unfamiliar with the UK tax system need to appreciate that the UK has an annual process of change to the tax system. This starts with the annual Budget speech, usually involves consultation on the main measures and culminates in the legislation necessary to effect the changes being included in the annual Finance Bill. The point is that there will always be a Finance Bill in a calendar year (occasionally there are two) which will include almost all of the changes to the primary tax legislation for the year. Changes to secondary legislation – statutory instruments – can be made at any time.

Fig 1. Potential models of complexity. An arrow indicates a sufficient relationship between two concepts e.g. so in diagram 1, if a tax is complex, this results in indicator 1 occurring.

In the diagram above, the leftmost model is the assumption the index is based on, in which complexity causes particular ‘symptoms’ of the tax system, which are measured as indicators. It would be naïve, however, to assume that the indicators have a sufficient or necessary relationship with complexity⁶. In reality the truth could be much more complex; complexity may only give rise to a few (or no) indicators, and there may be other factors which are not measured here, or one of the indicators could be a cause of complexity rather than an effect.

How would the index be used in practice?

We envisage that the index could be used in two ways:

- To prioritise and target efforts to simplify the tax system (i.e. to assess the existing system); and
- To give policy makers a tool to track the relative complexity of their policy changes (i.e. to monitor changes to the system).

The first of these could be valuable for both the OTS and policy professionals in HMRC. As there are a large number of tax measures and sections in the index, a regular review using the index could be done to identify which areas of the tax system are displaying relatively high levels of complexity. The index can then be used to diagnose why the tax system is complex in these areas, and may also indicate what could be done to simplify it.

For instance, a policy maker could look at the index and see that the rules around plant and machinery are particularly complex. They could then look at the indicators and see that this is because of the complex guidance and the large number of pages of legislation. This may then inform a project to review the plant and machinery rules in detail, with a priority of removing obsolete information, and making guidance clearer and more available.

The second way in which the index could be used, would to give policy makers the chance to track changes in relative complexity to their parts of the tax system over time. A new policy can result in changes to the tax system, such as changes in the number of reliefs or pages of legislation. These changes would be included in the index rankings, which would result in a change to the headline figure for the relevant tax measure. This would allow the impact of new policies on complexity to be assessed⁷.

⁶ A sufficient relationship is one such that $A \rightarrow B$, where if A is true then B is also true. A necessary relationship is one where $A \leftarrow B$, so for A to be true, B must be true.

⁷ Whether such ‘ratings’ would be published is an interesting question. In discussions with French officials about tax complexity, the OTS was told about the French system which experimentally gives a ‘star rating’ of 1 (=simple) to 5 (=complex) to new legislation being introduced to Parliament.

Some complexity in the tax system is inevitable: life, business and tax are all complex. The OTS has previously distinguished between “necessary” and “unnecessary” complexity⁸ as follows.

- Necessary complexity is the minimum complexity necessary to achieve the policy aim to a sufficient extent: as noted, there will always be some complexity in a measure, though the key point is that this should be minimised as far as possible.
- Unnecessary complexity is anything in addition to necessary complexity, such as duplicate processes, overly complex legislation, over-cautious anti-avoidance legislation or involved forms and procedures around compliance. A measure of unnecessary complexity (discussed below) will also need to be developed alongside this, to ensure that simplification can be feasibly achieved.

The two methods of using the index referred to above could ideally be done in parallel: this could integrate simplification of the tax system into the policy process, and would encourage policy makers to identify simplification improvements to the tax system on a regular basis. In turn, this would help to ensure that simplification plays a part in keeping the tax system modernised and up to date with the current economic environment. Obsolete or burdensome tax measures could be removed on a more timely basis than might otherwise be the case, if policy makers were able to consider actively the complexity of their tax areas.

A definition of complexity for the index

Before attempting to actually measure complexity, it is important that we are clear about complexity. The original intention of the index was to have a single ‘star rating’, but this seemed to us very simplistic and we wanted to develop a more sensitive tool. In particular we wanted to assess the intrinsic complexity in a tax and the impact of that complexity. The index was later developed to include two figures:

- **The underlying complexity:** a measurement of the structural complexity of a tax measure, based on the policy, legislative and administrative complexity
- **The impact of complexity:** a measure of the costs of complexity in the tax system, to both the taxpayer and HMRC

The separate consideration of these two figures is very important- the distinction between complexity and its impact is very clear when an example is considered.

To give an example: the Annual Investment Allowance (AIA) is a tax measure⁹ which adds complexity to the tax system, as it provides another option to taxpayers to choose from, increases the amount

⁸ The OTS is indebted to Professor David Ulph of St Andrews University who introduced us to the idea of necessary and unnecessary complexity during our early work on complexity. The definitions and discussion of the terms are the OTS’s.

⁹ The AIA allows a business that invests in plant and machinery – as defined – to claim 100% of the cost of the investment against its taxable profits for the year in which the spending takes place. Thus the business can write off the investment completely for tax purposes, irrespective of the amount of depreciation charged in the accounts. The AIA replaces depreciation, which is not tax deductible. One issue with the AIA is that the amount allowed to be ‘expensed’ has changed regularly; it is currently £500,000 but is due to reduce to £25,000 from 1 January 2016.

of legislation, etc. However, it reduces the impact of the complexity of the tax system, as it effectively removes 99% of businesses from the administration burden of capital allowances.

This points to two important features of the complexity scores, both of which are important but neither of which is surprising:

- there is no established relationship between the underlying complexity and the impact of complexity¹⁰; and
- in some cases reducing the impact of complexity upon taxpayers may require additional underlying complexity.

The factors which affect the impact of complexity are the ones which need to be dealt with to produce much of the benefit to taxpayers.

Underlying complexity can be loosely defined as a measure of the complexity of the 'maze' a taxpayer would be required to go through to comply with their tax responsibilities and to understand their tax obligations (and the result of those obligations) with no prior knowledge. Navigability of the tax system is absolutely vital for a taxpayer new to a particular area or the tax system as a whole. The ability to easily know the tax outcome of an investment could present an advantage to, for example, multinationals hoping to invest in the UK¹¹. The underlying complexity of the tax system is as important as the impact of complexity, but for very different reasons¹².

The index cannot in its current state indicate what complexity an individual taxpayer may experience while navigating the tax system, as this is not what it has been designed to do. This data is better found through using alternate tools such as 'total cost to serve' to identify what steps an individual customer has to take.

Indicators

As already mentioned, the complexity index is composed of indicators. Indicators are then aggregated to get figures for the underlying complexity and impact of complexity.

Before explaining the composition of the index, it is important to consider how tax complexity arises within the policy implementation process. Below is a diagram which shows the different stages at which complexity can arise in the tax system: the policy, legislative and implementation stages.

¹⁰ Though a regression analysis could be done to review whether there is a relationship between the two

¹¹ Although many of those companies would no doubt have financial advisers, this simply displaces the point- it is valuable to a financial adviser to painlessly know the outcome of an investment in advance.

¹² An analogy the OTS often uses is that of the computer: we suspect everyone reading this paper, and almost all the people we talk to, uses a computer regularly. Most will find the interface and carrying out the tasks they do day-to-day easy. But few will have any idea of what really goes on inside the machine to make those tasks work. In other words, the underlying complexity is considerable; but its impact is well managed to produce a simple, usable system. That said, the underlying complexity is far from eliminated and continues to have an impact: who has not been frustrated at their inability to get the computer to do something, or been surprised when a colleague shows with a few clicks how something can be done?

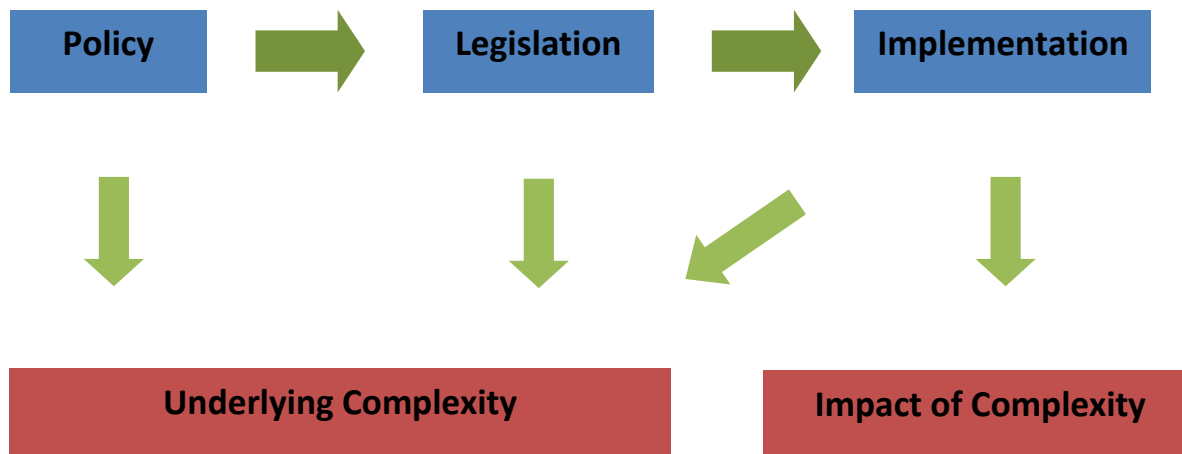


Fig 2. The process diagram above indicates that complexity in one part of the system will often (but not always) lead to complexity in subsequent parts¹³, as a complex policy invariably requires complex legislation, which may need to be interpreted into a complex administrative process¹⁴.

One point that the above diagram illustrates is that while the underlying complexity is determined by complexity inherent in the entire process, the impact of complexity is determined largely by the implementation i.e. the administrative process. This is for two reasons:

- As demonstrated above, additional complexity in a policy can actually reduce the impact of complexity
- Good administrative processes will reduce the impact of what is otherwise a complex policy

However, although the arrows in the above diagram illustrate the main ‘flows’, it is clearly possible for arrows to flow in additional directions – complex policy and legislation can mean complex impact. But the point is that complex impact can be mitigated by care over implementation.

Underlying Complexity

To develop the index we chose indicators based on the three areas of the policy implementation process and uses two measures of complexity for each (see below). Using two for each area is both pragmatic and reflects findings from our work. The first iteration of the Index used the majority of the indicators that are in the final version but two more were added (and two dropped) to give a better balance and an improved link to the theory discussed above.

Policy complexity

1. **Number of exemptions plus the number of reliefs** – Much of the structural complexity within a tax system stems from the existence of reliefs and special cases. Increasing the

¹³ One example of an exception to this rule might be PAYE, the system of deduction of income tax from an employee’s pay. The policy (income tax) might be thought of as fairly complex, the legislation is quite complex, but the implementation is very simple for at least one set of users. Essentially employees – who actually are due to pay the tax concerned – get the calculation, deduction and payment done for them. It is of course complex for HMRC and (especially) employers, so it does not solve all of the issues.

¹⁴ Though not necessarily, in terms of the *impact* of complexity, as the various factors on the index try to test.

number of exemptions also increases the complexity, as it increases the complexity in deciding whether or not a taxpayer is exempt from tax. It helps to think of the process for identifying eligibility for a tax exemption/relief as a flow chart: the more items which have to be sorted through to determine taxpayer treatment, the more complex the flow chart.

2. ***The number of Finance Acts with changes (since 2010¹⁵)*** – Change is a significant contributor to complexity: during OTS consultations change has repeatedly been identified as the single largest cause of complexity. In particular, change makes it difficult to plan for the future, which has an effect on the future treatment of a transaction or course of action.

It has been suggested that this indicator does not measure change, as it does not measure the **magnitude** of each change. A possible method for changing this would be to, for example, grade each year based on the number of new reliefs, exemptions and information obligations a tax measure requires of the taxpayer, and then give an average of the measured period to indicate the magnitude of change over time (possibly scaling the weighting of each year so that more recent years have more weight, as recent change provides more complexity). This has not been attempted here because there is an overriding need to keep the index simple, but we note it as a possible future refinement.

Legislative complexity

3. ***The Gunning-fog readability index¹⁶*** – This gives a comparative indication of how easy the legislation is to read. Other measures are available, but generally involve similar calculations, and for these purposes the main requirement is consistent appraisal across legislation.

One potential flaw is that the ‘readability’ test does not make any reference to definitions in legislation. The previous OTS project on definitions¹⁷ identified several ways in which definitions contributed towards complexity. At its simplest, a multiplicity of definitions of the same term adds complexity¹⁸. We note in passing that section 301 FA 2014 (which allows a definition included in any Act to be amended by secondary legislation and was influenced by the OTS paper) will lead to some improvements.

4. ***Number of pages of legislation¹⁹*** – This measure gives a simple objective indication of complexity in terms of how long the legislation is. A complex policy can be expressed in simple, short legislation, and a simple policy in longer legislation. As is discussed in previous OTS publications, length of legislation is an indicator of complexity.

¹⁵ Using the year 2010 as a base is entirely subjective – we could go back to 1799 or start more recently. But our aim was to get a measure over a reasonable period of how much change there had been, given that volume of change has consistently been cited as the leading cause of complexity by businesses. A base year of 2010 gives a reasonable time span.

¹⁶ See gunning-fog-index.com

¹⁷ Paper published on the OTS website and at www.gov.uk/government/publications/definitions-in-tax-legislation-and-their-contribution-to-complexity

¹⁸ To give two of the examples in our definitions paper, the corporation tax legislation includes 45 definitions of ‘group’ and 37 of ‘company’.

¹⁹ Ideally number of words should be used, as pages can be set out differently, different font sizes may be used or large footnotes can distort the true number of pages. However, it may be impractical to count the number of words unless a computer is involved.

However, in using this indicator we readily acknowledge that there is a counter argument: that longer legislation can allow a measure to be better explained. Short legislation can appear almost as code. What has convinced us to continue using this indicator is firstly that the Gunning-Fog measure will balance this issue; but secondly (and importantly) that most people we talk to (and popular opinion) sees length of legislation as an indication of complexity.

Operational complexity

- 5. Complexity of HMRC guidance**– This is often the first, and sometimes only, place taxpayers will look when trying to meet their obligations. Therefore how easy it is to use is crucial. Complexity includes the availability of the guidance - sometimes guidance may not be in a single consolidated location and so will be more difficult to find. Here ‘guidance’ covers not only the HMRC manuals but also helpsheets and guides to completing HMRC forms.

‘Guidance’ could also be extended to cover the readability and accessibility of case law and extra-statutory concessions. These fall under the term ‘guidance’ in that they help with interpreting legislation. The effect of these on underlying complexity is not covered elsewhere in the index.

- 6. Complexity of information requirement to make a return** – This criterion was added to include the difficulty for a taxpayer of gathering the information to meet their obligations. It is typically easier for a taxpayer to understand their tax obligations with less information being required to collect and submit to HMRC to make their return.

In the previous iteration of the index this factor was graded on a scale of 1 to 5. This approach had advantages, though a more objective approach may work better, such as by measuring the number of information obligations a taxpayer is required to provide to meet their obligation to HMRC.

Impact of complexity

Impact of complexity is currently measured using four separate indicators:

- 1. Number of taxpayers** – it is uncontroversial to suggest that there is a direct relationship between the number of taxpayers a tax affects and the impact of its complexity: a tax measure’s impact is doubled if it affects two taxpayers rather than one.
- 2. Aggregated compliance burden for a taxpayer and HMRC** – compliance burden measures the total cost to a taxpayer to fulfil their tax obligation. Costs to HMRC are also included, so that shifts between the two are captured e.g. if HMRC creates new processes which remove obligations from HMRC but cost taxpayers or their agents more.
- 3. Average ability of taxpayers** – Again, it seems evident that the lower the taxpayer’s ability, the greater the impact a complex tax area will have on them, as this affects their ability to deal with the tax.

This impact may already be reflected in the aggregated compliance burden. Irrespective of this, the information this indicator gives is important. We have therefore retained this figure in the index.

This differs substantially from the other indicators in that it is not an indicator of complexity, as the 'ability' of a taxpayer *determines* the impact of complexity rather than being a symptom of it.

4. **Revenue at risk due to error, failure to take reasonable care (FTRC) and avoidance** – the final impact of a complex tax system is that the tax paid is not always correct. In 2012-13 HMRC identified that they failed to collect £34bn worth of tax²⁰. Of this, £10.2 billion was due to either error, failure to take reasonable care, or avoidance. Each of these is a consequence of complexity inherent in the tax system. Loss of revenue affects the government's ability to maintain public finances and invest in new developmental projects.

Previously this measure only took account of the amount of tax at risk from avoidance. This has been extended to reflect the fact that complexity has an impact upon the error rate. Additionally, complexity can provide opportunities for avoidance: the OTS is starting work on this to see if it is possible to identify a more concrete link.

HMRC's current tax gap figures are not sufficient for this indicator- they fail to take into account errors in HMRC's favour, such as failure to adequately record all due expenses. HMRC do not currently record or publish figures for this amount.

Aggregating the indicators

It will be noted that we have ten indicators – an obvious round number, but not a requisite. The first version of the index aggregated the complexity factors into two figures through a formula which required weighting each individual indicator of complexity. This created a number of problems, including:

- It created a loss of clarity when presenting the index, and was difficult to explain;
- The formula could produce scores above ten, which meant that truncation had to be applied to the final complexity scores; and
- To take account of changes to the tax system, the weightings would have to be adjusted every year to keep each of the indicators in equal value in relation to each other.

Because of these reasons, this iteration uses a standardisation formula, which scales each of the indicators into a number between 0 and 1. The formula is:

$$Y^1 = (Y - Y^{\min}) / (Y^{\max} - Y^{\min})$$

'Y' is the value of the indicator for a tax measure. 'Y^{min}' represents an indicator's lowest value across all tax measures, while Y^{max} indicates the highest. This formula will always produce a number

²⁰ See HMRC, 'Measuring tax gaps 2014 edition', 4 (16 October 2014), available at: <https://www.gov.uk/government/publications/measuring-tax-gaps>.

between 0 and 1. This removes the need for truncation entirely, gives a much smoother presentation, and removes the need to adjust the weightings every year²¹.

The aggregation formula is much simpler. A multiplication factor is also included to stretch the index to give scores between 1 and 10²²:

$$((Y^1 + Z^1 + \dots n^1)/6) * 10$$

Here n^1 represents a normalised indicator. A score of 10 indicates the most complex tax, and a score of 0 the least complex.

The annex to this paper contains an illustrative summary example of the index.

Necessary and unnecessary complexity

When the underlying complexity and impact of complexity have been calculated, it is possible to assess whether a tax is relatively complex or not, and why. However, although this will inform the OTS's work, it cannot be the sole determinant, as often complexity in a tax measure is a consequence of real-world commercial complexity, which cannot be simplified.

Some taxes may in fact be necessarily complex. This could be because they seek to tax complex financial transactions or commercial structures. This means that simplification of the tax is not possible without either:

- Changing the policy objective²³;
- Finding a way to simplify the business situation or transaction²⁴; or
- Creating avoidance or non-compliance where additional complexity could have prevented it.

Since the key objective of the index is to provide policy makers with a measure to identify areas of tax which are appropriate for simplification, the ability to capture which taxes are necessarily complex and which are not is helpful.

Professor Ulph has suggested to us that this could be done through a comparison of underlying complexity and impact of complexity in relation to the measure of the complexity of the policy objectives involved. This has not been analysed in depth here as it would require an entirely different index to measure policy objective complexity, which is outside the remit of this paper. Using the index to its fullest effect in practice will require a measure of unnecessary complexity, to ensure that simplification is only achieved where it does not create damage to the overall tax system.

²¹ Changes to Y^{\max} and Y^{\min} will still need to be made, though these will be very easy to identify

²² Though it could just as easily give scores between 1 and 6 and remove the need to divide by 6 and multiply by 10. The impact of complexity formula differs slightly, as it divides by 4 and multiplies by 10.

²³ As an example, the OTS did suggest an alternative way of taxing the smallest business, perhaps taxing on the basis of a percentage of turnover, as a route to a simpler system that might be worth exploring.

²⁴ Changes in accounting rules may well mean that the tax treatment can follow more simply.

Structure of the tax index

We are publishing a further paper with ‘scores’ for a large part of the tax system. The tax system has been broken down into 111 areas, divided by function. Some taxes are presented as a single whole, such as aggregates levy, while others have been divided up by function, such as corporation tax.

The way the tax system has been broken down can result in some changes to the figures: this is most notable when comparing whole taxes such as inheritance tax against smaller tax areas, such as a major relief²⁵. This is one approach to structuring the index; it is wholly arbitrary and dependent on the requirements users of the index have. The framework can be further changed and divided however desired. For instance, if the index was used in a policy context it could be modified so that each area aligned with an area that a policy professional was responsible for.

The only concern with modifying the structure of the index would be the effect this has on the scorings of each individual figure if the measures used to calculate Y^{\max} and Y^{\min} figures for an indicator. For example, inheritance tax currently has 89 reliefs, the most of any tax area²⁶. This means it is used as Y^{\max} for the standardisation formula. If this was split into more than one tax measure, then Y^{\max} may decrease, which would result in a lower $(Y^{\max}-Y^{\min})$ figure. This would impact the complexity of every other tax in the index.

This sounds problematic but is not. It needs to be kept in mind that the index is a relative measure of tax complexity, not an objective one. Changes in the composition of the index result in a change to what a tax measure is being measured relative to in the first place. Changes to the scores in the index following a change in the composition of the index is to be expected. This is not a problem if the index retains a constant structure over time. If greater transparency over this is wanted, any use of the complexity figures could be published alongside the tax areas which being used to benchmark Y^{\max} and Y^{\min} .

Conclusion

The OTS believes that it has developed the index sufficiently in line with the aims of the project. We believe that it includes indicators and tax measures relevant to the current economic climate. The evolving tax system may create requirements or opportunity for more tax measures or indicators, so the index is by no means a fixed, final work. We have already noted some possible further refinements.

We have discussed how the index may be used in practice to track the relative complexity of measures in the tax system, and to prioritise simplification reviews of the tax system. The index could potentially be a useful tool for the UK government if it was used to track the complexity of the tax system over time, identify where that complexity is creating difficulty for tax payers, and to simplify the tax system. As we noted, we think the index could readily be adapted for use in areas other than taxation.

²⁵ Research and development relief would be a good example.

²⁶

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/198570/ots_review_tax_reli_efs_final_report.pdf

One area the index does not cover is a measure of necessary or unnecessary complexity. Some areas of the tax system will be necessarily complex, and for these areas substantial simplification is not possible. To properly take advantage of the opportunities afforded by the index, a measure of necessary complexity needs to be established and measured alongside the index.

Finally, it has been suggested that the index could be aggregated into a single measure of the complexity of the UK's tax system. This has obvious potential attractions: a rolling measure of complexity would allow an assessment of the impact of each Finance Act. Did it increase or reduce the complexity of the system?

It would then potentially be possible – at least in theory – to compare countries' tax systems. It would be an interesting indication of the attractiveness of Country A's tax system if it had a rating of 4.5 compared with Country B's rating of 7.2. But we have to caution against any assumption that such extension of our work would be easy. We also have to reiterate the aims of the index: primarily to inform the OTS's future work. But extending the index in these directions would undoubtedly be interesting!

ANNEX

Illustrative example of complexity index

Area of Tax	γ^{\max}	γ^{\min}	Air passenger duty	Inheritance Tax	Landfill Tax
Number of exemptions + number of reliefs	93	1	11/ 0.11	94/ 1.00	10/ 0.1
Number of Finance acts with Changes	11	0	5/ 0.45	7/ 0.64	8/ 0.73
Readability Index	33.35	9.3	11.67/ 0.10	11.72/ 0.10	13.49/ 0.17
Number of Pages of legislation	304.5	1	15/ 0.05	198.75/ 0.65	47.25/ 0.15
Guidance Complexity	5	1	3/ 0.5	5/ 1.0	5/ 1.0
Complexity of information required	5	1	1/ 0	3/ 0.5	3/ 0.5
Total Underlying Complexity	(total out of 10)		2.0	6.5	4.4

Area of Tax *	Air passenger duty	Inheritance Tax	Landfill Tax
Net average cost to taxpayers and HMRC	1/0	3/0.5	3/0.5
Number of taxpayers affected	1/0	2/0.25	1/0
Average ability of taxpayers	2/0.25	4/0.75	1/0
Avoidance Risk	1/0	4/0.75	1/0
Total Impact of Complexity	0.6	5.6	1.3

*Y limits have been omitted for the sake of space; $Y^{\max}-Y^{\min}$ is 4 in every instance