

## Future work programme

### Guiding principles

As indicated in our Annual Report<sup>1</sup>, we intend to pursue a pipeline of work reflecting:

- firstly, projects for the next twelve months
- secondly, a wider range of projects to consider over the next three years and
- thirdly, identification of areas which should be developed over the longer term.

This pipeline of work will be guided by the principle of applying our resources to the greatest effect which means proposing measures which benefit the greatest number of people on the largest number of occasions. At the same time, however, we will not, of course, ignore an opportunity for a “quick win” which benefits a smaller number of stakeholders but which achieves a useful outcome.

We will also consider areas where simplification is clearly necessary even if the numbers affected are smaller and the task is harder, areas where perhaps it is just “the right thing to do”. We will publish our proposed programme and update it at least annually.

The OTS has always focussed as much on the administration of taxes as on the legislative framework and this will continue. The experience of those interacting with the tax system, whether as private individuals, businesses or advisers will continue to inform and motivate our work programme. Perceptions are important as they may determine whether a feature of the tax system works as intended. For businesses, it is vital that tax administration doesn’t unnecessarily inhibit productivity and efficiency.

The results of our work are presented in various ways:

- formal reports offering practical recommendations in particular areas of the tax system
- analysis that shines a light on challenging structural issues to inform debate
- insight into the implications for tax simplification of societal, economic and business changes

### Current work

We will continue to progress the report on VAT with the aim of publishing it in October or November. Work has also commenced on a high-level paper on the business lifecycle which looks at key events and the various taxes which apply at these points.

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<sup>1</sup> <https://www.gov.uk/government/publications/ots-publishes-its-2016-17-annual-report>

In our Review of the Corporation Tax Computation we observed that businesses saw the capital allowances regime as a particular source of complexity. In response<sup>2</sup>, the Chancellor has requested that we undertake a review of Capital Allowances and the possibility of using instead the depreciation charged in the financial statements. Work has commenced<sup>3</sup> and we will be seeking views during the autumn with a view to publication of our report early next year.

### Next 12 months

We are beginning work on several further projects although not all of these will necessarily be taken forward or their scope may be modified on further review.

The first is a wide review of technology asking how recent advances in technology may provide novel opportunities for the simplification of the design or administration of the tax system. We will consider developments in other countries and also investigate the ways in which the digital economy might pose challenges for the simple administration of taxes. We will take this opportunity to learn about distributed ledgers, robotics, big data analytics and other new technologies. The rationale underlying this work is that developments in technology will have consequences too profound to pass over at this time.

Secondly, we propose to build on the business lifecycle work by looking more deeply at one or more particular areas, such as reliefs for investment.

Thirdly, we propose to explore and scope the potential for a review of aspects of the taxation of savings and investments. This is a highly complex area which touches on a large number of taxpayers and its inclusion ensures that our work embraces the full range of taxes.

Fourthly, we propose to explore and scope the potential for a review of aspects of inheritance tax.

### Medium Term and beyond

We will continue to engage with stakeholders on Making Tax Digital and there is likely to be ongoing work on employment status and the Gig economy.

We also propose to undertake a review of the structure of the tax system in other countries, particularly the US, Ireland, Netherlands. This will explore whether there are structural features of other countries tax system which would provide simplification opportunities for the UK

As ever, we warmly welcome comments on our work programme and suggestions for further work.

Office of Tax Simplification  
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<sup>2</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/640563/CX\\_letter\\_corporation\\_tax\\_August\\_2017.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/640563/CX_letter_corporation_tax_August_2017.pdf)

<sup>3</sup> <https://www.gov.uk/government/publications/ots-starts-new-review-on-capital-allowances-and-depreciation>