

TOM PURSGLOVE MP
CORBY & EAST NORTHAMPTONSHIRE



HOUSE OF COMMONS

LONDON SW1A 0AA

12th November 2018

New Commitment

RE: CORPORATION TAX.

Thank you for contacting me recently about corporation tax; your comments upon which I read with great interest.

A commitment to a competitive tax system with lower taxes is important for businesses and individuals. That is why corporation tax has been reduced from 28 percent in 2010 to 19 percent today, the lowest rate across the G20, with the rate scheduled to be cut further to 17 percent from April 2020.

As well as being competitive, our country's tax system must also be fair. The Government will, therefore, continue to address imbalances in the system where some businesses benefit disproportionately from certain rules, and will also continue to tackle aggressive avoidance, evasion, non-compliance and tax planning. For example, since April 2017, the amount of profit that can be offset by carried-forward losses for Corporation Tax purposes has been restricted to 50 percent.

The banks received taxpayer support during the financial crisis and it is right that they should pay their fair share of tax, which is why the Bank Levy has been introduced. In 2016, the Government introduced an additional tax on banks, an 8 percent Corporation Tax surcharge, which will raise nearly £9 billion by 2022. Since April, the amount of banks' profits that can be offset with historic carried-forward losses for Corporation Tax purposes has also been restricted to 25 percent. Furthermore, in 2016-17 the banking sector paid 58 percent more in tax than in 2009-10.

Continued support is needed for businesses and enterprise to drive up productivity, growth, and create job opportunities. To this end, I am encouraged that Ministers continue to lower taxes, with new support for small business and entrepreneurs, while also modernising the tax system and taking steps to ensure that taxes are fair and are paid.

Once again, thank you for having taken the time to contact me and if I can ever be of any further assistance to you then please do not hesitate to contact me again.

With best wishes

TOM PURSGLOVE MP
MEMBER OF PARLIAMENT
CORBY & EAST NORTHAMPTONSHIRE