

Tax Rebellion in History and how it differs to tax dodging and is a legitimate form of protest

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Tax Rebellion in History

Civil disobedience can take [many forms](#). By its nature it involves breaking the law as an act of defiance. Tax rebellion can be a legitimate form of civil disobedience and it has formed part of [many successful struggles](#) in the past, for example:

- The [Boston Tea Party](#) in American Independence
- [Gandhi's Salt Marches](#) in the struggle for Indian independence
- [Suffragettes](#): “no vote no tax”!
- The [Peasants Revolt](#) and poll tax rebellion of 1381
- The [Poll Tax protests](#) leading to the downfall of Mrs Thatcher

1930 -The Dandi March, Salt Tax resistance- Gandhi

Issue: The East India Company (1757–1858), then the British Raj (1858–1947) ruled India as colonial powers

Action and result: Also known as the Salt Satyagraha, this was an important part of the Indian independence movement. It was a direct action campaign of tax resistance and nonviolent protest against the British salt monopoly in colonial India, and triggered the wider Civil Disobedience Movement. The action has been recaptured in the film Gandhi.

1909 Tax resistance and Suffragettes

It was only in 1928 that UK women were finally granted voting rights equal to men. Campaign tactics were diverse and included the Women's Tax Resistance League, formed in 1909 with the slogans 'No taxation without representation' and the more direct declaration: 'NO VOTE, NO TAX'. 100 members were being willing to take up this form of protest. A two-tier approach was adopted, which meant that some took action immediately (40), while others declared they were willing to become tax protesters once the total number of members reached 500. However, the total never

exceeded 200 – this was before the days of social media! (Also, enjoy this [film trailer](#))

1987- 1990 Poll tax refusal - UK

Issue: Margaret Thatcher was reelected for her third term in 1987. Her policy was to levy a flat tax that she called a “Community Charge,” although it became popularly known as the poll tax. A flat tax means that everybody, regardless of wealth, has to pay the same amount. The tax was to be set in the 1989-1990 financial year in Scotland, and in the 1990-1991 financial year in England. However, it was unpopular from the moment she proposed it, and she met resistance from both the people and her party.

Action and result: In Scotland, 880,000 people out of a total 4 million refused to pay the tax. Other demonstrations culminated in 200,000 people marching in London against the tax- the biggest march that decade. The tax was stopped and Mrs Thatcher resigned.

Defining tax rebellion

“Tax rebellion” captures the spirit of a defiant act, for people who also believe in the social value of taxation. Tax resistance is another term that is used, but it can also refer to those who are [opposed to tax](#) as a concept in itself and has particularly hard right connotations in the USA.

The value of tax rebellion is that it can act as a form of defiance that people can participate in across a country- they don't all have to meet up at the same time and place and do a blockade for example. Tax rebellion can act as a direct criticism of a democracy when it is in crisis, because tax is a symbol of the social contract between State and citizen. Extinction Rebellion is clear that the social contract with the Government is broken- this forms part of our Declaration of Rebellion.

War tax resistance by peace tax protesters is the refusal to pay some or all taxes that contribute towards war. Often Quakers, people who have undertaken this act have done so at great personal cost. Whilst information is shared on [why and how to undertake](#) such a protest, there isn't a movement as such, to encourage a mass mobilisation of peace tax protesters. This is very much an act of individual conscience.

Some Suffragettes unilaterally decided that they wouldn't pay tax: “no taxation without representation”, whilst others vowed to do it if others joined them.

Pledging to withhold tax if others join you (thus you don't start until the numbers grow), enables a movement to mobilise and creates some element of safety in numbers. It also has the potential for drawing publicity, where other forms of protest get ignored. The Salt tax marches and poll tax rebellion were successful because of the large numbers that participated. They shine a strong light on illegitimate government and unjust policy making.

Tax disobedience and the public purse

People worry that by not paying tax they are “damaging the public purse” - this is not the case. It is worth bearing the following in mind:

- If 500 people join this tax disobedience and withhold an average of £25 each, this will amount to £125,000 being diverted to grass-roots campaigns
- The UK Government spends about £500bn annually, so this disobedience would not significantly affect the public purse; the intention is dissent and protest that precipitate virtuous democratic change, not economic damage.
- HS2 - an aviation shuttle service that is causing the biggest deforestation of Britain's ancient woodlands is set to cost over £100bn
- The UK leads the [European Union](#) in giving subsidies to fossil fuels, according to a report from the European commission. It found €12bn (£10.5bn) a year in support for fossil fuels in the UK, significantly more than the €8.3bn spent on renewable energy.
- It is [estimated by CND](#) that replacing trident - Britain's nuclear arsenal that is never intended to be used, will cost over £200bn. A 6-hour bombing mission to Syria costs over half a million pounds.
- When a Government wants to find money for something it can and does (like war or bailouts). Governments have the ability to raise debts (Government Bonds) or credit money (Monetary finance). They do have access to a magic money tree!
- High carbon and tax dodging industries are currently being bailed out.
- The UK government is not tackling tax dodging - see section below

Tax justice and tax dodging

Tax rebellion is done on principle, as a complaint against a Government that is badly off track, with full disclosure to authorities. Those participating are willing to take personal risks to make their point known. Tax dodging is about skirting around the law or the spirit of the law, for personal gain, hoping to not get caught. Tax dodging is about ignoring the moral responsibility to contribute tax as a “membership fee” of society, leaving others having to make greater investments. Whilst they both involve the non-payment of tax, tax rebellion and tax dodging couldn't otherwise, be more different. This is analogous to strike actions. People can love their jobs and believe

deeply in the social value of their work, and nevertheless be prepared to strike for reasons of justice and fairness.

People need to pay tax, [tax is a good thing](#)! Tax dodging by [rich people and multinationals](#) makes people rightly angry, especially as they see cuts to public services justified on the basis of a “lack of money”. Tax justice campaigners make clear the [socially vital role tax plays](#):

1. Raising revenue – to pay for the NHS, education, social security and so forth
2. Repricing goods and services – considered to be incorrectly priced by the market such as tobacco, alcohol, carbon emissions, etc.
3. Redistributing income and wealth – because [huge income inequalities contribute to](#) and are correlated with many social problems
4. Reorganisation of the economy through fiscal policy – so Governments can spend money into an economy to help prevent recession
5. Raise representation within the democratic process – it has been found that only when an electorate and a government are bound by the common interest of tax does democratic accountability really work.

That last point is an important one. It speaks of the [social contract](#)– the bond between the government and people, based on legitimacy. Whilst you may not be happy with the result of an election, if you accept democracy, you are bound by the social contract to observe the laws and policies emerging from the democracy under which you live.

But what if you feel your democracy is [deeply deeply flawed](#)? Closer to a [plutocracy](#) or [corporatocracy](#)? Captured by [powerful financial interests](#)? There are times when the principled non-payment of tax is justified.

Tax rebellion is, in principle, perfectly compatible with calls for tax justice, indeed a tax rebellion could be *part of a call for tax justice*.

- Tax justice shows us that there are other opportunities [being missed](#) to collect tax ([£120bn](#) in the UK annually!).

- “[Progressive](#)” taxation is [especially beneficial](#) – where those with more wealth pay a higher percentage of tax. However, taxation in the UK is currently “regressive”.
- Poor people pay a greater percentage of their income in tax than the rich. Prof. Prem Sikka [shows that](#) households in the bottom 20% of income bracket pay 35.5% of their gross income in direct and indirect taxes, compared to 33.7% for the top 20% of households.
- Tax rules are skewed to serve the rich – Value Added Tax (VAT) which hits women and [the poor hardest](#) has been increased, taxes on the rich and corporations have been lowered. The standard rate of VAT was 15% in December 2008 and is now 20%. Corporation tax has been lowered from 28% to 20% and a 10% rate is offered through “[patent box](#)”. Those earning over £150,000 saw the top rate of tax fall from 50% to 45% in 2013. In 2015 inheritance tax rules were changed, providing huge savings for those with expensive properties.
- There has been [no serious attempt](#) to tackle tax dodging and tax havens, [half of which](#) are UK crown dependencies or overseas territories, which puts increased pressure on the [ordinary tax-payer](#) and [spreads corruption](#)

Any tax rebellion should celebrate tax as being socially useful and should also complain about the injustices in the current tax system.

Which taxes and how?

Where possible (and often it isn't) enable the tax rebellion to be inclusive so that anyone can join, because everyone pays tax. Tax rebellion is “easier” if you do tax returns. For those on PAYE it is not possible to ask your employer for tax to be unpaid. Everyone pays VAT and yet it is difficult not to pay. If you withheld the VAT on a utility bill you would affect both the Government and the company (which could be a good tactic depending on the protest, for example a protest against water privatisation or hikes in charges). In reality you would just be paying less of your bill overall (including the VAT). One way to not pay VAT is to ask for a takeaway in a cafe or restaurant when you actually intend to eat in. This could be tried without the

cafe's consent, to save implicating them in the action. Council Tax is another tax that can be withheld.