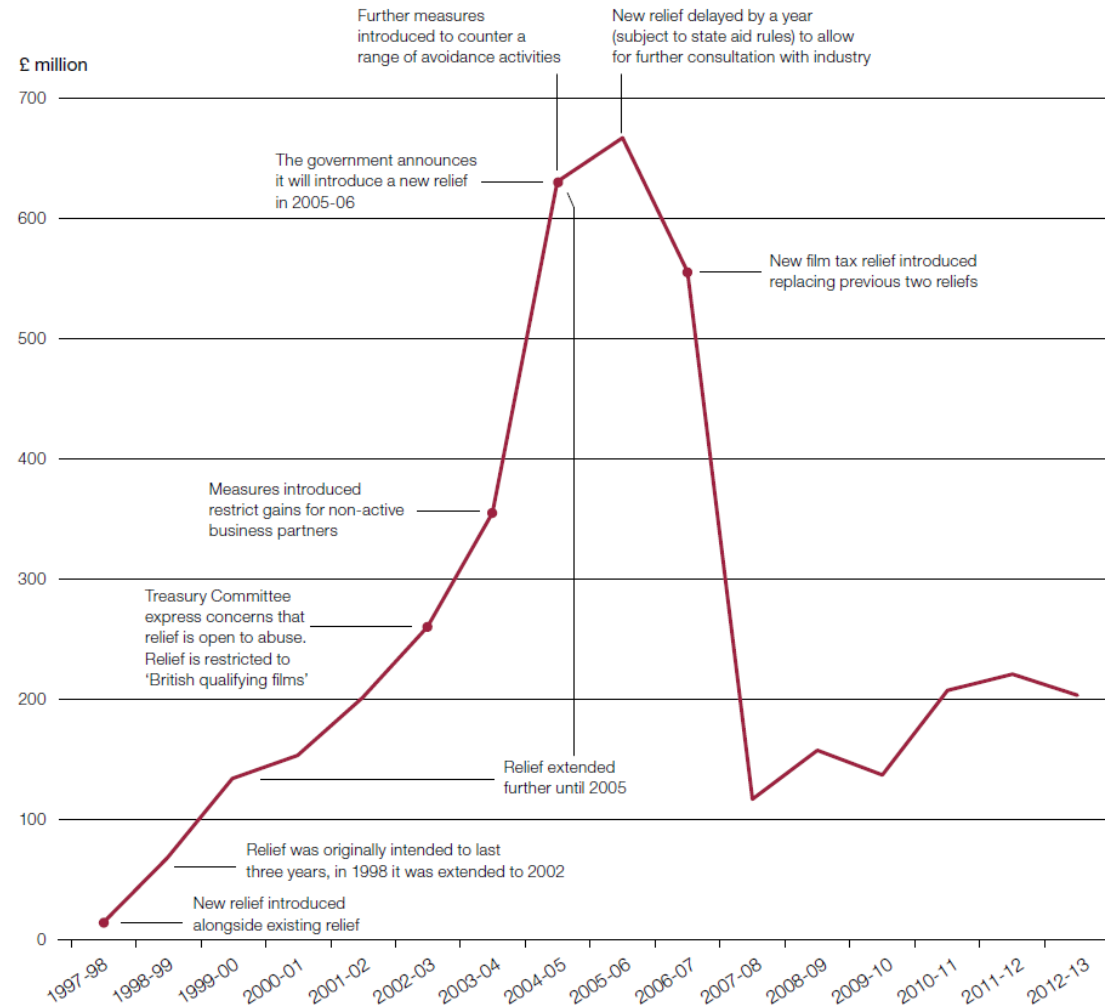


# Tax reliefs require active management: some examples from the NAO's work

**Rob Prideaux**, National Audit Office (currently at  
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# Design weaknesses will be exploited

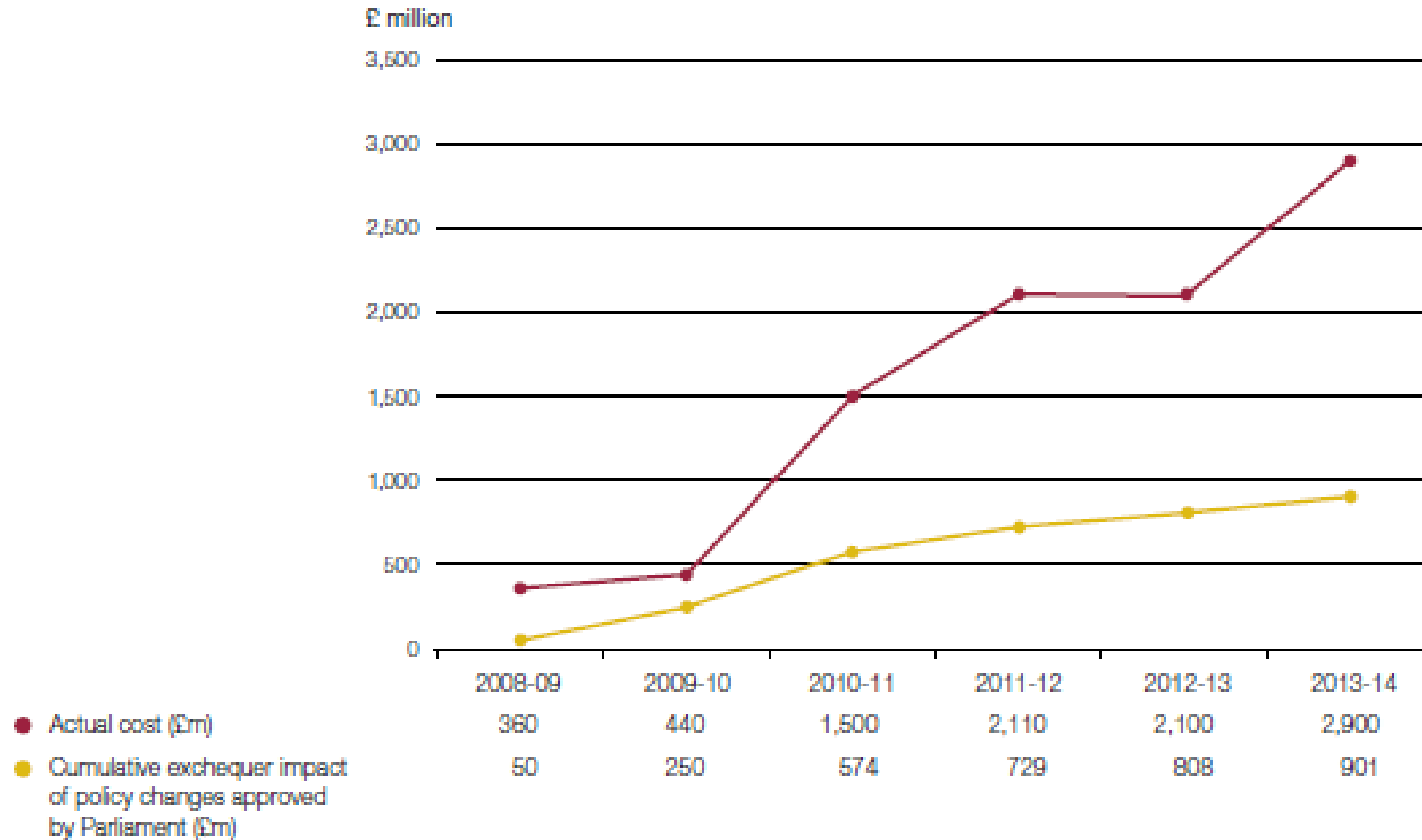
The cost of film tax reliefs before and after the new relief was introduced



Source: National Audit Office report, "Tax Reliefs", April 2014: Film tax relief, Figure 23

# Costs may significantly exceed forecasts

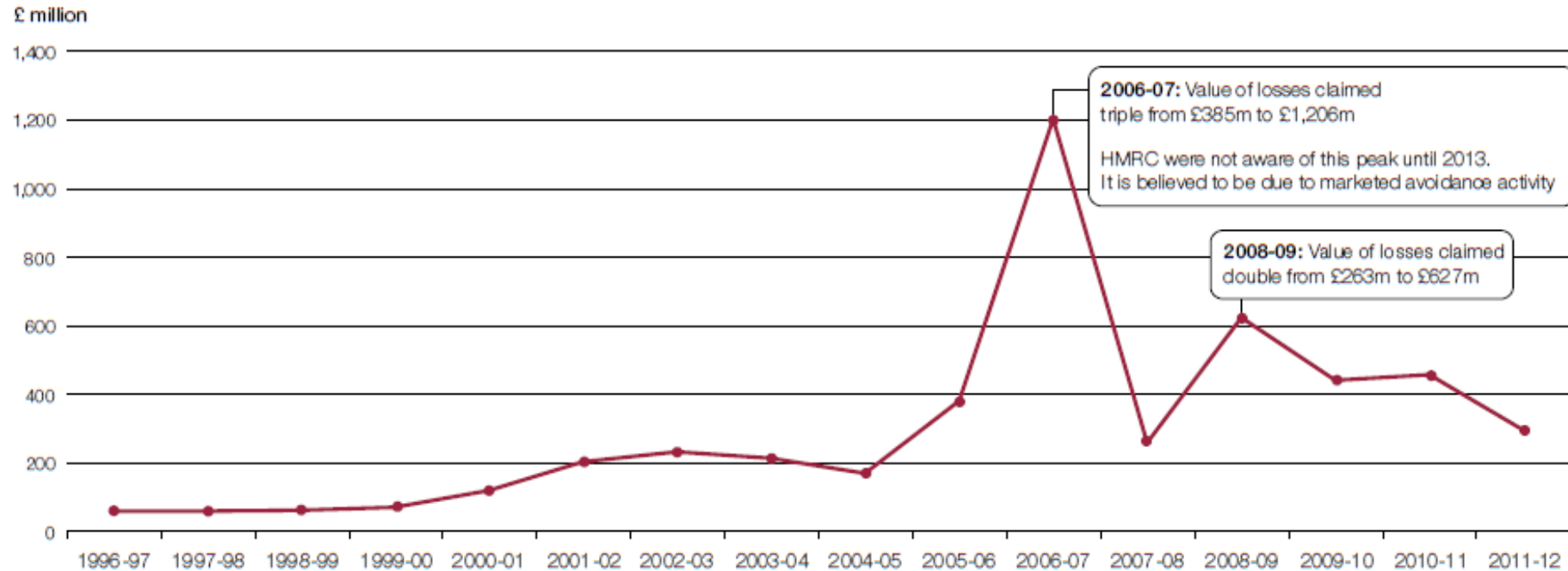
The cost of Entrepreneurs' relief exceeds the total amount forecast by policy changes



Source: National Audit Office report, *"The effective management of tax reliefs"*, November 2014: Entrepreneurs relief, Figure 8

# Tracking the costs of a relief can indicate tax avoidance

The increase in share loss relief claims since 2005-06 is due to marketed avoidance



## Notes

- 1 Data show the value of claims, as the tax cost of share loss relief cannot be quantified with certainty. The overall tax cost depends on whether the loss could alternatively have been set against gains in the same or future years. However in cases of avoidance the tax cost is up to around 40% of the amounts shown.
- 2 Costs are shown in real terms.

Source: National Audit Office analysis