
Editorial

Drafting Finance Bills

Given that taxation is such an expensively sensitive subject both for individual citizens and for businesses, it is hardly surprising that Finance Bills come in for more than their share of the brickbats that are commonly directed at the legislative process and the deficiencies of statute law. There are regular grumbles about the bulk, complexity and generally user-unfriendly nature of fiscal legislation; the much vaunted unified budget procedure has proved in practice to be a mixed blessing for legislators; and there have been recurrent complaints about the absence of any monitoring machinery to keep the general state of taxation law under review. The 1995 Finance Bill seems to have attracted even more than the usual level of grumbling from tax lawyers and accountants.

Two interesting proposals have recently been mooted in this context. At the beginning of February, the Chancellor of the Exchequer announced, in a speech to the European Policy Forum, a pilot scheme whereby some parts of next year's Finance Bill will be drafted by private lawyers, in order to bring some "fresh thinking" to bear upon a process hitherto monopolised by over-stretched parliamentary counsel. This promises to be an interesting experiment. It is hardly a constitutional novelty: it would merely be a revival, on a modest scale, of nineteenth century

practice whereby (certainly until the establishment of the Office of Parliamentary Counsel, initially with just two draftsmen in 1869) the drafting of public Bills was routinely contracted out to the private sector.

The other proposal has been the subject of a proposed amendment to this year's Finance Bill, tabled by Timothy Smith, Conservative MP for Beaconsfield, who is a chartered accountant. The amendment provides for the establishment of an authoritative and independent Tax Law Commission, modelled on the Law Commission, to "keep under review taxation law with a view to its systematic development and reform". Its remit would include codification, the elimination of anomalies, the repeal of obsolete enactments "and generally the simplification and modernisation of the law".

Mr Smith's idea has attracted favourable comment from the accountancy profession and from the Chartered Institute of Taxation. Even more interestingly (according to a report by Robert Bruce in *The Times*, 23 February), there has apparently been a hint of support for such a development from within the government itself, in a recent speech by the Financial Secretary to the Treasury. This innovation offers the prospect of much needed improvement to a chronically troublesome area of legislation, and is surely deserving of ministerial endorsement.

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