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The Rt Hon Jeremy Hunt MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London, SW1A 2HQ

Sent via HM Treasury representations portal only

1 February 2023

Dear Chancellor

We welcome the opportunity to make a submission to HM Treasury ahead of the Spring Budget.

The Catholic Union is a membership organisation that works with others to represent the views and interests of the 4.5 million Catholics in Britain and advance the common good. We bring the experience and expertise of Catholic laity from all walks of life into the public sphere.

We have made submissions to HM Treasury ahead of previous fiscal events, where we set out in some detail the need for reform of the tax system to make it fairer for families. This matter was also explored in a recent policy paper from the *Policy Exchange* on "Taxing Families Fairly" (P Booth & A Rogobete, August 2022).

Research shows that the UK tax system penalises families much more heavily than those of other countries - especially those where one parent works in the home or works part time outside the home in order to take on caring responsibilities.

As we recover from the pandemic, there has never been a better time to ensure that the tax system does not discriminate against single-earner families who forsake a wage on account of caring responsibilities, including looking after children and elderly parents.

The way our current tax system interacts with the Universal Credit system discourages family formation. This arises because, at present, benefits are allocated on the basis of household income whereas tax is calculated on individual income. This imbalance needs to be corrected.

This work cannot be done overnight, which is why we are asking you to set up a commission on family taxation to consider ways of reforming the current system and reducing the tax burden on working families. We would be delighted to work with you on this task.

In the Prime Minister's New Year speech, he spoke about his desire to see a society that truly values the family. He also acknowledged that strong, supportive families make for more stable communities and happier individuals. We now need to see the Prime Minister's words turned into action.

We recognise that as Chancellor you have already taken steps to help families, including with the cost of energy bills. The Catholic Union stands ready to help build on this good work with a new commission on family taxation. Helping families keep more of the money they earn is needed more than ever. We would be delighted to work with you to make this happen.

Yours faithfully

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*The Catholic Union of Great Britain: The Voice of Catholics in Public Life*

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