



# Taxing Matters

Navigating the complexities of the tax world

RPC

## Season three, episode four – Deck the halls... with weird and wonderful taxes throughout history

**Alexis:** Hello and welcome to Taxing Matters, your one-stop audio shop for all things tax brought to you by RPC. My name is Alexis Armitage and I'm a Senior Associate in RPC's Tax Disputes team. I will be your guide as we explore the sometimes hostile and ever-changing landscape that is the world of tax law and tax disputes. Taxing Matters brings you a roadmap to guide you and your business through this labyrinth. In case any of you miss any crucial information or just want some extra bedtime reading, there is a full transcript of this and indeed every episode of Taxing Matters on our website at [www.rpclegal.com/taxingmatters](http://www.rpclegal.com/taxingmatters). I'm delighted to be joined today by Andrew Hubbard, editor in chief of Tollies Taxation Magazine.

Andrew didn't originally start in accountancy or indeed taxation, having originally studied music history at university before moving to train as an inspector of taxes and then moving over to the accountancy profession. Andrew has worked in a Big Four environment and now indulges his passion for writing and editing full time. Amongst all of that, Andrew has also found time to become a past president of both the Association of Taxation Technicians and the Chartered Institute of Taxation. In his spare time, Andrew also plays the bassoon, the contrabassoon, and conducts, so he is a man of many talents. Andrew, welcome back to Taxing Matters.

---

**Andrew:** Thank you very much, it's lovely to join you again.

---

**Alexis:** So today, Andrew and I are going to be discussing quite an exciting topic. This is a special Christmas episode, everybody, which I hope will lead everybody into the Christmas season. So today, Andrew and I are going to be taking a look at some of the weird and wonderful taxes that have existed throughout history. So here we go. So Andrew, what is the strangest tax ever?

---

**Andrew:** Well, that's a good question, isn't it? That will keep us going for the rest of the day. I've given a lot of thought to that. Perhaps "pannage"? Now, you probably don't know about pannage, but it's the tax relating to keeping pigs in the woods. So if you wanted to get your pigs to forage in the wood, you had to pay a tax called pannage. So in a sense, it was a bit like a pig license.

But of course, that's not such an unfamiliar concept, older readers will recall that we used to have dog licenses in this country. I was amazed that they were only abolished in 1987, by which time the dog license was 37 and a half pence. And I think it costs more to administer than they raised in taxes. But yes, I think pannage was one of my favourite obscure taxes.

But there are so many others. People [are] quite interested, for instance, in the idea of a beard tax, and this is where you've to be a bit careful because there was definitely a beard tax in Russia that Peter the Great imposed. But if you read some of the websites on tax history, they talk about Henry VIII imposing a beard tax as well. And I don't think that actually did happen. I think that's one of those things that's just emerged over a period of time, and you can see that all the websites are copying each other about what were the most obscure and interesting taxes. But pannage definitely existed, so I think that would probably be towards the top of my list, if not at the top.

---

**Alexis:** And so what do think the logic was behind this pannage tax?

---

**Andrew:** Well it's getting money in isn't it. I mean in the end all of these taxes are about raising money and I think one of the interesting things in all of this is that these taxes reflect what was in society at the time which is why I think I'm interested in this. So for instance you probably did in history the repeal of the Corn Laws, you may have remembered that. That's all about tax. The Boston Tea Party and the American Revolution, that's tax. Gandhi and the salt tax, it's everywhere. And I think that's the interesting thing about this, that these things are weird and wonderful and seem very odd, but at the same time, they're actually rooted in the society of the time.

---

**Alexis:** I think that's so true, so what has given you your interest in these odd taxes then?

- 
- Andrew:** Well, two things, I mean I've always been interested in the weird and wonderful side of tax. I mean, some of it is so serious, of course, that it's quite nice to just look at the nooks and crannies around. And I'm very interested in history generally. And from my point of view, I actually do quite a lot of genealogical research into my family tree, and some of these old tax records are actually helpful in that regard.
- You've probably heard of the window tax, the tax that said if you've got more than I think it was seven windows, you have to pay a higher rate of tax on your home. But there was also the hearth tax, which was broadly the similar thing. The tax was dependent on the number of hearths you had, which effectively were fireplaces. So what it meant was that you were taxed on the number of chimneys that you had. And the idea was that an inspector, or whatever they were called in those days, didn't actually have to go into the house to work out how many people were there, he just counted the chimneys. But the rather good thing about the hearth tax is that some of the hearth tax records actually still survive and are used by family historians. I've indeed looked at some of the hearth tax records from the Hubbard family in Norfolk. And unfortunately they reveal that my ancestors were so poor that they were exempt from paying the tax. But it's still quite nice to have that linkage. you know, where do you go from there? People talk about hat tax. There was a tax on hats, there was a tax on wigs - well, actually it wasn't on wigs, it was on wig powder. And those two things sound, you know, very old and old fashioned. But in fact, you know, I bought a hat only a few weeks ago and it was from a market stall. So that was...payable on that hat, or at least it was if the market tool trader had been declaring his income, but perhaps not let's go there. And wigs, there was a VAT case only quite recently about whether a wig was exempt from tax or not. So these things are both historical and very current.
- 
- Alexis:** Absolutely, so the message this Christmas is just have the one fireplace lit then, all crowd around there for this Christmas. Although, when you say they counted the chimneys, did you actually have to have the fire lit or actually did it just matter how many fireplaces you had?
- 
- Andrew:** It was how many fireplaces you had. So I think it applied summer and winter alike. It wasn't just whether there was smoke coming out of the chimney. It's not quite like, we got a new pope? know, white smoke, therefore we have to pay more tax. And it wasn't like that, as far as I understand.
- 
- Alexis:** So it wasn't that you could just light one fireplace and keep the others off and you wouldn't get the charge, you got the charge per fireplace.
- 
- Andrew:** That's how I understand it, I can't say I've studied it in enormous detail, but I think it was relating to the number of fireplaces. Of course, windows, I mean, people did block out windows in order that they didn't have to pay the window tax, and you still see buildings with windows blocked up. Whether they were all actually blocked up because of the window tax, I don't know, but certainly some of them were and it's a sign I suppose that if there's a tax there's always a way of getting around that tax and not actually having to pay it. Most of these things eventually died out.
- 
- Alexis:** I did read some stories actually, well some articles online that said some people would try and hide the number of fireplaces they had, so that's an interesting one, maybe there was a way around it as you said.
- 
- Andrew:** Yeah, I'm sure there would be or you perhaps had a chimney that actually had several different fireplaces all going up. We're getting into the history of architecture there and I certainly got no expertise in that, but you know this is all part of society and the way it's organised which I think is just absolutely fascinating as well as really rather quirky.
- 
- Alexis:** Absolutely. So we've had hats, wigs, fireplaces, windows. What about soap? Can you tell us anything about that?
- 
- Andrew:** Yeah, it sounds a bit off that you tax cleanliness as it were but there you go. Soap was subject to a specific tax at one time. They thought that it would be a way of raising revenue and you know just like candles at some stage were taxed. But if you think about it, lot of beards

- 
- Andrew:** well, we think beards, certainly in Russia, we're not quite sure whether there was actually a beard tax in Tudor, England, or whether that was some myth that's grown up around Henry VIII, yeah, but if you think about it, quite a lot of these things are taxed today. It's just that we don't have specific taxes named for them. So I was looking around my apartment just before this and just looking and thinking well what taxes have I paid on the things I've got in my apartment and you know you could say well "we have a teapot tax" or "we have a paperclip tax" or indeed "we have a teddy bear tax", because all of those things are taxed, now it's just we don't call them that it's all lumped in VAT we don't actually realize most of the time that we're actually paying tax perhaps there should be a campaign to say abolish the tax on teddy bears, it's unfair on young children, but we now have a situation where essentially everything is taxed unless there's a specific exemption so that it isn't taxed or it's zero rated. So a lot of these historical taxes come from a time when there was basically, you had to define in law what was taxable. And if there wasn't a specific thing, there was no tax charge, now the way VAT works, it's a very different world. And of course, at a lot of the times we're talking about, there was no income tax or income tax was very, very small. So it's really only probably even from the time of the First World War, maybe the Second World War, that the tax has become income tax. So we now think of tax in those terms when anybody asked what tax did you pay last week, they would talk about income tax. They wouldn't necessarily think about the taxes that they're paying on goods because it's all invisible. Whereas in the old regimes where there were specific taxes on specific things, then you knew that they were there and hence you get the campaigning against certain taxes. We've had that in more recent times with the poll tax.
- 
- Alexis:** So do you think in some ways that's why the government came up with VAT? Because it's almost like getting all these taxes in by the back door, really, isn't it? Because as you just said, a lot of people might not even notice they're paying tax. And it sort of leads to less campaigning, I suppose, and less rebellion, maybe.
- 
- Andrew:** You're a very cynical young lady, but yes, I think you're probably right. It's quite helpful. But of course, you know, we had quite recently, we had quite recently, didn't we? The fuss over the Cornish pasty tax where there was a very successful campaign. And it's interesting if you look, I suspect that if you'd spoken to George Osborne immediately after he'd sat down and said, you're going to be in trouble with the pasty tax, he would have said, what are you talking about? For him it was a minor technical change to the definition of what was hot and what was not hot in the VAT rules and somebody got hold of it christened it the pasty tax which was an absolutely genius stroke to do and suddenly they were on the back foot so, you know the names are important so maybe we should we should abolish the teddy bear tax.
- 
- Alexis:** Absolutely. Well, I mean, I'm a sociologist at heart, you see, I was a sociologist before a lawyer. So I think labelling is actually quite important.
- 
- Andrew:** Yeah, it is very important. Yeah.
- 
- Alexis:** So, this is probably a million-dollar question, I suppose. If you were the Chancellor, what would you tax and why?
- 
- Andrew:** This is my chance to be a grumpy old man, I think. But I think I'd have a decibel tax on noises in restaurants, you know, for every decibel, the rate of tax goes up another percent. Or, and this really annoys me, is delivery cyclists on pavements. We have quite a lot of paved area in the middle of Nottingham where I live, and you spend all your time just avoiding the cyclists. But perhaps as it's Christmas, I ought to end up with something by Christmas, which is, I think there should be a tax on Christmas windows displays that are out too early. I love Christmas windows in December, but November, October, September, there should be a graduated tax, so if you make a display, say before the first of December you ought to have to pay a levy and if it's before the 1st of October an even greater levy now, that's got some Christmas cheer for your podcast, doesn't it?
- 
- Alexis:** I like that. To be fair, I did see Christmas sandwich options in the shop back in October, which I think is a little bit too early. So I think I might be with you on that. Now, does that also apply to Christmas music being played?
- 
- Andrew:** Unless it's by Handel. There'd be an exemption for Handel and Bach. But otherwise. Yes, absolutely. Yeah, get a rebate if you play Bach and Handel. Otherwise, yeah, too early. absolutely. What cheerful people we all are, what is a Christmas sandwich and how on earth did we get to the stage where people know a Christmas sandwich? What is the world coming to?

**Alexis:**

What indeed, what indeed. Brilliant. Well, thank you so much, Andrew, for this Christmas podcast, which I hope has brought all of our listeners a little bit of a Christmas cheer. We've certainly learned a little bit of the history around taxes, and I think we can all agree it's pretty interesting.

Thank you all for listening and we wish you a very Merry Christmas.

So as ever, a big thank you goes to RPC's in-house team for the production, music and sound editing of this episode.

A full transcript of this episode together with our references can be found on our website at [www.rpclegal.com/taxingmatters](http://www.rpclegal.com/taxingmatters). And if you have any questions for me or any topics you'd us to cover in a future episode, please do email us on [taxingmatters@rpclegal.com](mailto:taxingmatters@rpclegal.com). I would love to hear from you. If you like Taxing Matters, why not try RPC's other podcast offerings, Insurance Covered, which looks at the inner workings of the insurance industry hosted by the brilliant Peter Mansfield and available on Apple podcasts, Spotify and our website. Or the Work Couch, the podcast series, which is where we explore how your business can navigate today's tricky people challenges and respond to key developments in the ever-evolving world of employment law. Hosted by the fantastic Ellie Gelder and also available on Apple podcasts, Spotify and our website. If you like this episode, please take a moment to rate, review and subscribe and remember to tell a colleague about us.



RPC is a modern, progressive and commercially focused City law firm. We are based in London, Hong Kong, Singapore and Bristol. We put our clients and our people at the heart of what we do.