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## Abstract

The authors describe the tax treatment of UK small unincorporated firms and the current tax structure relating to small-business taxation. They discuss the current school tax model for unincorporated firms and propose a new model to evaluate small-business taxation from two angles. First, the authors offer a post-1999 budget analysis of the impact of taxation on small-business owners and their employees. Second, the authors discuss a set of proposals which have the potential to improve the neutrality of the tax system towards small-business owners' decisions.



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