

# A SPOTTER'S GUIDE TO POSSIBLE TAX REFORMS IN THE 2024 SPRING BUDGET\*



\* SOME ARE MORE LIKELY TO APPEAR THAN OTHERS

WITH NOTES ON **REVENUE IMPACTS, FAIRNESS,**  
**POLITICAL STATUS AND PUBLIC SUPPORT**

## CUTTING INCOME TAXES

**Scientific name:** *Burdensis reduciarum*      **Status:** Endemic and widely distributed



Now hard to miss, especially shortly before fiscal events. Increasingly common since the late 1970s. Makes a distinctive 'laffer' noise, repeated insistently and shrilly to compensate for a weak evidence base. Feeds mostly on unsubstantiated claims that it will lead us to the sunny uplands of economic growth rather than tearing a massive hole in the public finances. Expects to be popular with the public but is liked by fewer than one in six people because most of us would rather have functioning public services, thank you very much.

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## CUTTING CORPORATION TAX

**Scientific name:** *Disputus incidencia*      **Status:** Regular visitor



Like its income tax cousin, increasingly easy to spot over the last forty years, bolstered by regular migration from the United States. Lives in a range of habitats, from rural areas to corporate boardrooms. Attracted to shiny promises that cutting corporate tax rates will benefit workers and employees instead of wealthy shareholders, but many scientists are sceptical. Has a harsh, grating call whose high volume causes many to overestimate its ubiquity. Consistently unpopular with the public, because corporation tax is one of the most popular taxes.

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## SCRAPPING INHERITANCE TAX

**Scientific name:** *Levium opprobrium*      **Status:** Under threat



Appears, wraith-like, in sections of the media whenever an election or budget is on the horizon. Feeds on a widespread misapprehension that inheritance tax affects averagely wealthy people; in fact it is only paid by the richest 4%. While 55% believe in tax-free inheritance in principle, 78% think inheritances should be taxed when given the figures. Only 14% prioritise cutting inheritance tax. Just 16% want to keep reliefs that save the wealthiest estates £1.5 billion every year. Twenty years ago, scrapping this tax was an appeal to aspiration; now it is associated with inequality, and so is widely seen as politically unwise.

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## EQUALISING CAPITAL GAINS TAX RATES (with tax rates on employment income)

**Scientific name:** *Expecto revenonum*      **Status:** Fleeting seasonal visitor



Resident in the UK from 1988 to 1998 thanks to Nigel Lawson, but not seen since after being mercilessly hunted by Gordon Brown. There are widespread calls for its return from experts and two-thirds of the public also want to see it back in our skies, not least because its absence means that some people earning millions of pounds every year in the form of capital gains (e.g. Rishi Sunak) pay an effective tax rate similar to someone on an average UK salary (and capital gains are heavily skewed towards the wealthiest people and areas), while equalising it would raise billions.

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## REMOVING NON-DOMICILED STATUS

**Scientific name:** *Non expelliarmus*      **Status:** Awaiting introduction

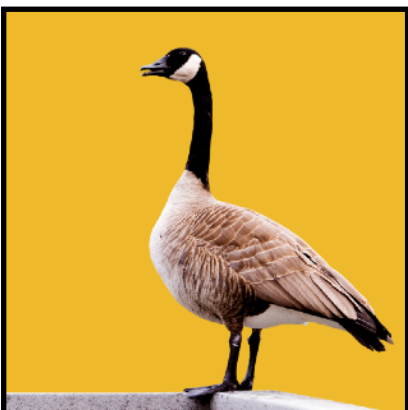


Not yet introduced in the UK, partly due to misplaced fears that scrapping this perk would encourage some of the 68,000 non-doms to flee for lower-tax shores. In fact, research shows that fewer than 100 would leave the UK as a result, as most quite like living here - presumably due to extensive availability of high-quality trees, grubs, foliage etc. Non-dom status could be removed or reformed by a future Labour government or, in what would be a surprising move, by the Tories. Should be an easy win both economically (bringing in a forecast £3.6bn per year) and politically (supported by a majority of Brits).

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## INCREASING RESOURCES FOR HMRC

**Scientific name:** *Bleedinia obvius*      **Status:** Inexplicably hard to spot



Are non-doms the goose with the golden egg? No - all those twitchers in the square mile must have misted-up binoculars. That distinction belongs to HM Revenue & Customs, under-resourcing of which is responsible for much of the £36 billion (or more) of tax owed that is not collected every year. But calls for more resources for HMRC can only occasionally be spotted on the airwaves, on the internet or in the Palace of Westminster. Its scarcity is a mystery given that every £1 consumed yields a dividend of £18. Unsurprisingly popular with the British public; supporters outnumber opponents three to one.

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