

UK General Election July 2024: manifesto tax pledges

A digest of the tax pledges made by the Conservative, Labour, Liberal Democrat, Reform and Green parties in their election manifestos and related documents for the 2024 election.

The 2024 UK General Election will take place on 4 July 2024. The major political parties have now published their manifestos and associated documentation, with tax and tax avoidance/evasion pledges being key themes across many. The table below summarises the principal manifesto tax pledges of the Conservative, Labour, Liberal Democrat, Reform and Green parties.

Conservative	Labour	Liberal Democrats	Reform ¹	Green Party
Corporate and business taxes				
Will not raise corporation tax	Labour will cap corporation tax at the current level of 25% for the entire parliament, and will act if tax changes in other countries pose a risk to UK competitiveness.	Whilst there is no specific manifesto pledge on corporation tax rates, the manifesto does indicate that the Liberal Democrats would make the case for increasing the global minimum rate of corporation tax to 21% (<i>it is worth noting that this operates as an effective rate of tax, rather than merely a headline rate</i>)	Reduce the main Corporation Tax Rate from 25% to 20%, then to 15% from year 5	Will not impose further increase on the main rates of corporation tax.
So more businesses can benefit, will look to extend the 'full expensing' policy to leasing, once the fiscal conditions allow	Retain a permanent full expensing system for capital investment and the annual investment allowance for small business. Will give firms greater clarity on what qualifies for allowances to	Reverse the Conservatives' tax cuts for big banks, restoring the Bank Surcharge and Bank Levy revenues to 2016 levels in real terms	Lift the minimum profit threshold to £100k (<i>it is not altogether clear what this refers to though it is assumed it is the level at which the small companies' rate of 19% starts to be withdrawn</i>)	

	improve business investment decisions			
Lift the employee threshold allowing more companies to be considered medium-sized (<i>currently a medium-sized company must generally have fewer than 500 employees and this concept is relevant for a number of UK tax purposes such as transfer pricing exemptions and DPT and various tax incentive schemes</i>)	Within the first six months, publish a roadmap for business taxation for the next parliament which will allow businesses to plan investments with confidence.		Tax relief for businesses that undertake apprenticeships	
Retain key tax incentives that encourage small businesses to grow, including the Enterprise Investment Scheme, Seed Enterprise Investment Scheme, Venture Capital Trusts, Business Asset Disposal Relief, Agricultural Property Relief and Business Relief	Labour will close the “carried interest” loophole by taxing “carried interest” as income (<i>this doesn’t necessarily specify a rate, though it is forecast to raise £565m in 2028/29</i>)	Introduce a 4% tax on the share buyback schemes of FTSE-100 listed companies, to incentivise productive investment, job creation and economic growth	Cut entrepreneur's tax relief to 5% (<i>ie presumably <u>increase</u> this tax relief by reducing the rate at which gains are taxed to 5%</i>)	
Maintain R&D tax reliefs	Labour supports implementation of the OECD global minimum rate of corporate taxation and backs international efforts to make sure multinational	Increase the Digital Services Tax on social media firms and other tech giants from 2% to 6% (<i>these digital services taxes are due to be withdrawn as and when the</i>	Fast track planning and tax incentives for development of brownfield sites, including unused offices and vacant high street properties	

	tech companies pay their fair share of tax	<i>Pillar One proposals for taxation of MNEs come into effect)</i>		
Maintain the windfall tax on oil and gas companies introduced in 2022 to ensure they pay their fair share of tax from extraordinary profits while prices remain abnormally high. Will keep this in place until 2028-29, unless prices fall back to normal sooner	Labour will close the loopholes in the windfall tax on oil and gas companies. Labour will extend the sunset clause in the Energy Profits Levy until the end of the next parliament and increase the rate of the levy by 3%, as well as removing the generous investment allowances	Impose a proper, one-off windfall tax on the super-profits of oil and gas producers and traders	Introduce incentives and tax breaks to boost the UK defence industry	Will advocate for windfall taxes where there is evidence that market distortions are creating risk free additional profits. Initially retaining the levy on energy companies' windfall profits and applying another on Banks following interest rates rises
Ensure that creative sector tax incentives remain competitive			Boost smaller food processors and abattoirs through tax breaks and other incentives	
Create more Freeports and Business Rates Retention zones and continue backing Investment Zones across the country			SME Enterprise Zones for left-behind areas with a period of zero tax for new or existing businesses that are creating jobs	
			Tax and other incentives to ensure that all fish caught in British waters are landed and processed in the UK	

			Tax incentives and vocational training to increase UK fishing fleets	
Continue to ease the burden of business rates for high street, leisure and hospitality businesses by increasing the multiplier on distribution warehouses that support online shopping over time	In England, Labour will replace the business rates system, to raise the same revenue in a fairer way. This new system will level the playing field between the high street and online giants, better incentivise investment, tackle empty properties and support entrepreneurship	Reform business rates to help our high streets Abolish business rates and replace them with a Commercial Landowner Levy to help our high streets	Abolish Business Rates for High Street Based Small & Medium Firms. Offset this with Online Delivery Tax at 4% for large, multinational enterprises to create a fairer playing field for high streets	
	Labour will end the VAT exemption and business rates relief for private schools			
Personal taxes				
Will not raise the rate of income tax	Will not increase the basic, higher, or additional rates of Income Tax	Implement a tax policy that recognises how high the Conservatives have raised personal taxes, making the cost-of-living crisis worse	Lift the income tax start point to £20,000 per year	Aligning the tax rates on investment income with the tax and National Insurance Contribution rates on employment income (<i>note that the Green Party proposes to increase NICs rates</i>)

Cut tax for workers by taking another 2p off employee National Insurance so that we will have halved it from 12% at the beginning of this year to 6% by April 2027 – long-term ambition to “end the double tax on work” when financial conditions allow as part of plan to make the tax system simpler and fairer	Will not increase National Insurance	The priority for tax cuts, when the public finances allow, will be to cut income tax by raising the tax-free personal allowance, benefitting the vast majority of families and taking more low-paid workers out of paying income tax altogether	Basic Tax rate stays at 20%. The higher rate should begin at £70,000	Removing the Upper Earnings Limit that restricts the amount of National Insurance paid by high earners (<i>it appears this would mean a highest rate of tax on employment income of 53% and a higher marginal rate between £100,000 and £125,140 of 68%</i>)
Abolish the main rate of self-employed National Insurance entirely by the end of the Parliament	Abolish non-dom status once and for all, replacing it with a modern scheme for people genuinely in the country for a short period, including closing the “loopholes” in the Conservative plans to remove non-dom status	Review the tax and National Insurance status of employees, dependent contractors and freelancers to ensure fair and comparable treatment	As soon as finances allow, introduce a UK 25% transferable marriage tax allowance. This would mean no tax on the first £25,000 of income for either spouse (based on a higher income tax starting point of £20,000 per person)	Introduce a Wealth Tax of 1% annually on assets above £10 million and of 2% on assets above £1bn
Guarantee that both the State Pension and the tax free allowance for pensioners always rise with the highest of inflation, earnings or 2.5% – so the new State Pension doesn’t get dragged into income tax. So from April 2025, will increase the personal allowance for pensioners by	Undertake a review of the pensions landscape to consider what further steps are needed to improve pension outcomes and increase investment in UK markets (<i>it is not clear if this will involve consideration of the tax treatment of pensions and pension contributions, though it appears that Labour has dropped its plan to</i>	Review the Government’s off-payroll working IR35 reforms to ensure self-employed people are treated fairly	Abolish IR35 rules to support sole traders	Equate the rate of pension tax relief with the basic rate of income tax, so everybody would only get a tax relief of 20%.

introducing a new age-related personal allowance	reintroduce the lifetime allowance)			
Will not increase Capital Gains Tax		<p>Reform capital gains tax:</p> <ul style="list-style-type: none"> three rates of CGT: 20% (for gains up to £50,000), 40% (between £50,000 and £100,000) and 45% (over £100,000). CGT rate based solely on capital gains the capital gains tax-free allowance would go up from £3,000 to £5,000 introduce a new "inflation allowance", so that any gains that are purely the result of inflation are not taxed at all there would also be a targeted relief for small businesses 		Reform of Capital Gains Tax to align the rates paid by taxpayers on income and taxable gains
Reform Child Benefit by moving to a household system, so families don't start losing Child Benefit until their combined income reaches £120,000 and then			Tax relief of 20% on all Private Healthcare and Insurance to reduce pressure on the NHS	

gradually remove it until household income reaches £160,000 (<i>it is worth noting that starting to take away child benefit at this level when combined with the 60% marginal rate of income tax between £100,000 and £125,140 risks giving rise to a very high marginal cost for a single earner household with children earning between £120,000 and £125,140</i>)				
Pensions Tax Guarantee: Conservatives will not introduce any new taxes on pensions, will maintain the 25% tax free lump sum and maintain tax relief on pension contributions at their marginal rate and will not extend National Insurance to employer pension contributions			Tax relief of 20% on all independent education to incentivise parents who can afford to pay a bit more to choose independent schools to ease pressure on state schools	
From September 2024, new teachers in priority areas and key STEM and technical subjects will receive bonuses of up to £30,000 tax-free over five years			All frontline NHS and social care staff to pay zero basic rate tax for 3 years	

Will not increase the number of council tax bands, undertake an expensive council tax revaluation or cut council tax discounts		Give local authorities new powers to control second homes and short-term lets in their areas by allowing them to increase council tax by up to 500% where homes are being bought as second homes		
Will maintain Private Residence Relief so that people's homes are protected from Capital Gains Tax				
Will introduce a two-year temporary Capital Gains Tax relief for landlords who sell to their existing tenants			Scrap the 2019 tax changes for landlords since the tax system should encourage smaller landlords into the rental markets not penalise them (this refers to the restrictions on the amount of mortgage tax relief that individual landlords can claim)	
	End the use of offshore trusts to avoid inheritance tax		Abolish IHT for all estates under £2m. The rate above £2m will be 20%, with the option to donate to charity instead	
<i>VAT and other indirect and environmental taxes</i>				

Will not raise the rate of VAT	Will not increase rate of VAT			
Keep the VAT threshold under review and explore options to smooth the cliff edge at £90,000			Lift the VAT registration threshold to £120,000	
			Scrap VAT on energy bills (<i>currently 5% for domestic use</i>)	End to VAT on cultural activities, lowering the prices of everything from museum tickets to gigs in local pubs and making these more accessible
	Labour will end the VAT exemption for private schools		No VAT on independent school fees	
		Reform the taxation of international flights to focus on those who fly the most, while reducing costs for ordinary households who take one or two international return flights per year by: <ul style="list-style-type: none"> introducing a new super tax on private jet flights, and removing the VAT exemptions for private, 	Reinstate the VAT refund scheme for tourist shopping	Introduce a frequent-flyer levy

		first-class and business-class flights		
Permanently abolish Stamp Duty for homes up to £425,000 for first time buyers		Introduce a new subsidised Energy-Saving Homes scheme, with pilots to find the most effective combination of tax incentives, loans and grants, together with advice and support	Boost economic activity and housebuilding by cutting residential Stamp Duty to 0% below £750k; 2% from £750k to £1.5m; 4% over £1.5m	
Will not increase the rate or level of residential Stamp Duty	Increase the rate of the stamp duty surcharge paid by non-UK residents by 1%	Introduce a stamp duty surcharge on overseas residents purchasing such second homes and short-term let properties		
No new green levies or charges while accelerating the rollout of renewables		Introduce a Sewage Tax on water company profits	Scrap environmental levies Lower fuel duty by 20p per litre Scrap annual £10 billion of renewable energy subsidies by equivalent taxes on them	A carbon tax to drive fossil fuels out of the economy and raise money to invest in the green transition set initially at £120 per tonne of carbon emitted and rising over ten years to a maximum of £500 per tonne. It will initially align the different taxes on fossil fuels including: Fuel Duty, Climate Change Levy; payments under the emissions Trading Scheme. It will encourage businesses to decarbonise and be levied at a level that makes

				decarbonisation the cheaper option
Tax administration and tax avoidance/evasion				
	Modernise HMRC and change the law to tackle tax avoidance. Increase registration and reporting requirements, strengthen HMRC's powers, invest in new technology and build capacity within HMRC	Give HMRC the resources it needs to properly tackle tax avoidance and evasion	Reform the Tax System. Major simplification is needed. At over 21,000 pages, the UK's tax code is a burden. Hong Kong's tax code is under 500 pages	
Will raise at least a further £6 billion a year from tackling tax avoidance and evasion by the end of the Parliament	Renewed focus on tax avoidance by large businesses and the wealthy, to close the tax gap and ensure everyone pays their fair share	Work with partners in international forums, including the OECD and the UN, to tackle international corporate tax avoidance for the benefit of all countries and make the case for increasing the global minimum rate of corporation tax to 21%		
	Provide a strategic approach that gives certainty and allows long-term planning. Labour are committed to one major fiscal event a year, giving families and businesses due warning of tax and spending policies.	End retrospective tax changes such as the loan charge brought in by the Conservatives	Stop the Offshore Taxpayer Rip Off. Some larger care home providers avoiding tax on hundreds of millions of profits through complex offshore property company structures and high interest shareholder loan	Inheritance tax reform: closing the loopholes used by the super-rich

		Reforming capital gains tax to close loopholes exploited by the super wealthy		
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Sources

[Conservative Party Manifesto](#)

[Labour Party Manifesto](#)

[Labour Party Mission Statement](#)

[Labour Party “Plan to close the tax gap” and our Insights article](#)

[Liberal Democrat Manifesto](#)

[Liberal Democrat’s “Fairly reforming Capital Gains Tax to save our NHS”](#)

[Liberal Democrat’s “A share buyback tax to boost growth and fund public services”](#)

[Reform’s “Contract with you” \(working draft\)](#)

[Green Party Manifesto](#)

[Green Party “Pledge investment to mend broken Britain”](#)

¹ Reform state that their proposed contract is deliberately issued as a working draft.