



BREAKING

TAX

Breaking Tax's Cut Out and Keep Guide to the 2024 Election Tax Pledges

We've delivered on behalf of the nation. Compare and contrast the key tax pledges of the Conservatives, Liberal Democrats, Reform UK, Green Party, and Labour Party for the 2024 election. Hang it next to your Euro 2024 wall chart. I know you want to. **You're welcome.**

Income Tax

The Conservatives

The Conservatives highlight their achievement of doubling the personal allowance since 2010 from £6,475 to £12,570. They pledge not to raise the income tax rate.

Liberal Democrats

The Liberal Democrats propose combating fiscal drag by raising the tax-free personal allowance, effectively introducing the brand new concept of a stealth tax cut.

Reform UK

Reform UK plans to significantly raise the personal allowance to £20,000. They also propose increasing the threshold for the higher rate of income tax to £70,000.

Green Party

The Green Party aims to align the rate of income tax so that investment income is taxed at the same rate as earned income. They also propose standardising pension tax relief at 20%.

Labour Party

Labour pledges not to increase income tax rates and to maintain the current levels.

Employment Taxes

The Conservatives

The Conservatives promise to reduce employee National Insurance to 6% by April 2027 and to abolish the main rate of self-employed National Insurance by the end of the Parliament.

Liberal Democrats

The Lib Dems pledge to end retrospective tax changes such as the loan charge and review off-payroll working IR35 reforms to ensure fair treatment for self-employed people

Reform UK

Reform UK plans to abolish IR35, aiming to support sole traders. They also propose tax relief for businesses that undertake apprenticeships.

Green Party

The Green Party proposes removing the Upper Earnings Limit for National Insurance. They also aim to provide equal employment rights from the first day of employment, including for gig economy and zero-hours contract workers.

Labour Party

Labour pledges not to increase National Insurance rates.

Family Taxes

The Conservatives

The Conservatives plan to legislate against the High Income Child Benefit Charge (HICBC), proposing a shift to a household system where benefits are reduced only for combined incomes over £120,000.

Reform UK

Reform UK proposes tax relief of 20% on all independent education.

They also suggest allowing married couples to share their tax allowance, introducing a 25% transferable marriage tax allowance when finances allow.

Capital Gains Tax (CGT)

The Conservatives

The Conservatives promise not to raise Capital Gains Tax rates.

They propose a temporary CGT exemption for landlords selling properties to existing tenants.

Liberal Democrats

The Lib Dems aim to reform CGT to close loopholes exploited by the super wealthy.

Green Party

The Greens propose aligning the tax rates on income and taxable gains and closing loopholes in inheritance tax.

Labour Party

Labour intends to end the practice of treating carried interest in the private equity industry as capital gains tax.

Tax Avoidance and other monkey business

The Conservatives

The Conservatives aim to raise an additional £6 billion a year by tackling tax avoidance and evasion.

Whatever that means...

Liberal Democrats

The Lib Dems will give HMRC the resources needed to tackle tax avoidance and evasion effectively.

Whatever that means...

Labour Party

Labour plans to modernise HMRC and change the law to tackle tax avoidance. Whatever that means...

Property Tax

The Conservatives

The Conservatives propose a permanent First Time Buyer's Relief for SDLT and a two-year temporary CGT exemption for landlords.

Reform UK

Reform UK plans to scrap interest relief restrictions for landlords and adjust SDLT rates. They propose a 0% rate for properties below £750k, 2% for the next £750k, and 4% for properties above £1.5m.

Labour Party

Labour plans to add a 1% SDLT surcharge for non-residents buying UK property.

Corporate Tax

The Conservatives

The Conservatives promise not to raise corporation tax rates.

Liberal Democrats

The Lib Dems propose:

- A one-off windfall tax on the super-profits of oil and gas producers and traders
- Increasing the Digital Services Tax from 2% to 6%, and
- Introducing a 4% tax on FTSE-100 share buybacks.

Reform UK

Reform UK proposes reducing the main corporation tax rate from 25% to 20% immediately, with further reductions to 15% over five years.

They also suggest abolishing Business Rates for small high street firms, offset by an Online Delivery Tax.

Green Party

The Green Party supports maintaining the current corporation tax rates but advocates for windfall taxes on energy companies and banks.

Labour Party

Labour pledges to cap corporation tax at 25%, retain a permanent full expensing system for capital investment, and extend the windfall tax on energy companies.

Other Tax Reliefs

The Conservatives

The Conservatives aim to retain key tax incentives like the Enterprise Investment Scheme and Business Relief. They also plan to ensure competitive creative sector tax incentives.

Reform UK

Reform UK proposes cutting entrepreneur's tax relief to 5% and creating SME Enterprise Zones with zero tax for job-creating businesses.

VAT

The Conservatives

The Conservatives pledge no VAT increases and no VAT on private school fees.

They will review the VAT threshold and explore options to address the cliff edge at £90k.

Liberal Democrats

The Lib Dems focus on modernizing employment rights but do not specify significant changes to VAT.

Reform UK

Reform UK plans to raise the VAT threshold to £120,000 and address the VAT refund scheme for tourist shopping.

They also propose scrapping VAT on energy bills.

Labour Party

Labour confirms they will not increase VAT but will impose it on private school fees and make these schools liable for business rates.

Green Taxes

Liberal Democrats

The Lib Dems suggest reforms to tax frequent flyers and introduce a super tax on private jet flights.

Green Party

The Green Party proposes a carbon tax starting at £120 per tonne, rising to £500 per tonne within ten years, and aligning various fossil fuel taxes to encourage decarbonization.

For our full guides to each party's 'tax manifesto' then please see the following links:

Conservatives: <https://breakingtax.com/conservative-tax-manifesto-fiscal-flotsam-and-jetsam>

Liberal Democrats: <https://breakingtax.com/liberal-democrats-tax-manifesto-a-man-in-his-canoce>

Reform Party: <https://breakingtax.com/reform-uk-tax-manifesto-does-farages-tax-milkshake-bring-all-the-voters-to-the-yard>

Green Party: <https://breakingtax.com/greenpartytax>

Labour: <https://breakingtax.com/labour-party-tax-manifesto-heres-to-not-buggering-it-up>

