

A budget for redistribution of income and wealth |

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Prem Sikka argues for a progressive budget in the [Guardian](#):

As Chancellor [Alistair Darling](#) drafts his annual [budget](#), he needs to give priority to putting cash in people's pockets. This is the only sustainable way of stimulating the economy.

For far too long, people have been encouraged to borrow to keep the high street afloat. That is no longer possible. We should not be returning to the debt-fuelled economy — we should, instead, improve distribution of income and wealth.

He has his chosen approaches:

The cost of the above can be met by removing the upper limit on the national insurance contributions and levying higher rates of income tax on the rich so that the benefit of higher personal allowances is clawed back. Tax relief on pension contributions should be restricted to the basic rate of income tax. There should be an aggressive assault on the [tax avoidance](#) industry, which is costing the UK more than £100bn a year. Tax should be deducted at source for all dividends paid to [non-domiciled individuals](#) so that they cannot easily avoid taxes.

What I am delighted to see is the widespread adoption of the idea I first promoted for the TUC a year ago - that allowances simply be withdrawn above a certain level of income and a minimum rate of tax on gross income must be paid.

It ticks every box of justice - simple, fair, efficient, redistributive and predictable.

The tax profession says it loves these things.

Let's hear them sing its praises.