

Think tank says raise income tax by 6p in the pound

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[Raise income tax by 6p in the pound, UK told](#) | [Business](#) | [The Guardian](#)

According to the Guardian:

Britain should raise income taxes by 6p in the pound to make bigger inroads into its huge deficit or risk being vulnerable to the next financial crisis, according to a leading thinktank that advises the Treasury.

Current plans by the political parties to reduce spending and pay down debt would not be enough to prepare the country for a collapse like that of Lehman Brothers and a deep recession, said the National Institute of Economic and Social Research (NIESR).

The hard-hitting criticism of plans by all political parties to cut the deficit, and especially the reliance on "mythical" efficiency savings, came as Europe was convulsed for a second day by the aftershocks of Standard & Poor's decision to downgrade Spanish government debt.

They're right on cuts and savings: they're just not going to happen.

6p tax change would [increase revenue](#) by up to £30 bn.

It's going to happen.

But this is not the best way.

That's explained in [The Great Tax Parachute](#).