

When the 50% tax rate came in it was heavily abused: it...

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When the 50% income tax rate was introduced in April 2010 we know that its introduction was accompanied by massive tax abuse, with income being shifted from the 2010-11 tax year into 2009-10. [HMRC estimate around £18 billion was moved between years to save tax.](#)

[As is reported this morning](#), as the end of the 50% tax era approaches companies are thinking hard about delaying income payments to achieve the same tax saving result for their employees.

Now I'm not saying for one moment that any leopards have changed their spots: they haven't, I'm sure. What I am suggesting is that tax campaigning has changed the tax environment in the meantime, for the better. And in the process all [the absurd calculations on Laffer effects](#) offered by HM Treasury in 2012 need to be revisited: it is very obvious that these embraced an implicit assumption that the behaviour would not be noted. When that assumption is changed then so does so the so called Laffer effect.

Some of us have, of course, said this for a long time. Now it's time for those setting policy to notice.