

The rich must not face tax rates of more than 45% says ...

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As the [Telegraph noted this weekend](#):

While Chancellor George Osborne insists benefit reforms are designed to help hard-working families, new rules which take effect on Saturday will mean that some of the poorest people in the country pay marginal rates of tax that are half as high again as those paid by millionaires.

Many on the minimum wage will be left with just 27p in each additional pound they earn.

Except they got that wrong. As [Paul Lewis has shown](#), the likely tax rate is 81%. And it may be higher when council tax charges and graduate payments are taken into account.

But apparently the 50p tax rate was a disincentive to work.

The idea that there is one rule for the rich and another for everyone else is well rooted in fact.

NB: A paper I have written on this issue with Howard Reed is coming, soon, I hope.