

We need a wealth tax

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The Guardian [has reported that the Office for National Statistics has found that:](#)

Britain's richest households have pulled further ahead of the rest of the population as house prices have accelerated, with the top 10% now owning almost half of the country's £11.1tn total private wealth.

Since the previous survey was carried out two years earlier, the top tenth of households had seen a 21% increase in their wealth, including [property](#). Over the same period, the poorest half of households also saw their wealth rise – but only by 7%.

That left the top tenth of households owning 45% of total wealth, while the bottom half were left with just 9%.

It is vital that this inequality is tackled. This is what I wrote in chapter 9 of [The Joy of Tax](#) (which was written as if I was presenting a budget):

I am proposing a wealth tax. This is now possible for the first time because of the information-sharing agreements that we now have with so many of the world's tax havens. We will pursue such deals with those that have still not signed them. In the meantime any professional adviser who in any way assists a person to avoid tax by exploiting the remaining states who have not cooperated with us will under new arrangements become personally liable for all tax not paid as a consequence, without limit.

The wealth tax will not be charged on main residences, family farms and private businesses that will now be subject to capital gains tax in life, whether gifted or sold, and on death. Nor will it be charged on pension wealth.

This charge will then be on let property portfolios, financial investment portfolios, personal property and other assets of similar type primarily used to generate unearned income, unless they are otherwise exempted by law using the new principles for writing tax law that I have already outlined. The charge will be introduced on all such portfolios worth more than £1 million at the rate of 1 per cent per annum, although the rate will increase with the scale of declared wealth. All wealth will be subject to self-declaration.

Any assets not declared will become the property of the state. Any asset undervalued will be subject to sale to the state at the under-declared price if the Department of Taxation decides to exercise that option. Wealth will be calculated on a worldwide basis.

It's important to read the point about residences and businesses correctly: I had already proposed the extension of capital gains tax to these assets when writing this part of the chapter. The consequence was a proposal for a wealth tax targeted at financial wealth, or the savings of a very small but immensely rich part of society to put it another way.

I believe that such a tax is essential.

But who will say so?