

# There is only one right capital gains tax rate and that...

Published: January 16, 2026, 3:51 am

---

The [Guardian reports this morning](#) that:

*George Osborne's budget is handing a tax cut averaging £3,000 to some of the wealthiest people in the country who make up just 0.3% of the population, the shadow chancellor, John McDonnell, has said.*

*Labour is calling for the cut in capital gains tax (CGT) to be scrapped, saying it would give investors already making money about the same, on average, as the government had planned to take from disabled people under changes to benefits.*

I suspect that this may be based on Jolyon Maugham's tweeting on this issue, but do not know. What I do know is that Labour is right to take up this issue.

But it should have gone further. As it is the Conservatives can attack them because the new rate is higher than it was in 2010, when the influence of Gordon Brown (who seemed to have an absurd belief in the growth inducing power of low CGT rates) was lower still at 18% than the 20% the Conservatives propose now.

What Labour should have done is demand that the income tax and capital gains tax rates be aligned. A Chancellor once had the courage to do this. It was Nigel Lawson. This is the only proper rate for CGT if avoidance is to be discouraged. And that's what I think Labour should be suggesting.