

Tax reform of the day: removing inheritance tax agricult...

Published: January 12, 2026, 11:54 pm

To continue [my series](#) on tax reforms to challenge inequality in the UK, the next suggestion is another obvious one, and overdue to be tackled.

Remove the inheritance tax relief for agricultural property

[Agricultural property relief for inheritance tax](#) means that almost all agricultural property in the UK can be passed on between generations free from this tax.

No one is quite sure how much this relief costs. [HMRC say it is £365 million a year](#). But I have sat in the House of Lords hearing them give evidence on the issue when they admitted they had very little real clue as to the cost, and even less as to the benefit.

My argument is a very simple one. Land has long been used as a source of wealth and rent extraction in the UK. It reinforces social control in rural societies. And there is no evidence that ability in farming runs in families: genes don't work that way. At the same time there is evidence that wider land ownership, opening access to many more who want to and could farm may well be of considerable benefit in agricultural communities.

This relief, which is available to landlords as well as those who farm their own land, makes no sense in that case. It simply works to preserve landed estates intact when there are better forms of land ownership available to society.

What are they? I'd suggest regional land trusts to own land paid in lieu of taxes: there would be no need for forced sales. Existing tenant rights would, of course, be respected. Freeholders could lease land farmed by previous generations back if they wanted. But the important point is that conditions on use, and conditions on the use of income would be applied and that way the absolutely essential reform of our countryside that is vital if we are to preserve biodiversity in the UK, as well as food supplies, can be made to happen.

Existing tax reliefs preserve wealth and work against these policies. This relief has to go.