

Wealth taxes: a Chancellor saying no is not enough to e...

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Beth Winter, a Labour MP, asked [this question](#) in Parliament this afternoon:

Richard Murphy, a professor of political economy at City University in London, says that the Government have the potential to raise £174 billion a year if wealth was taxed at the same rate as income. That could cover the cost of the job retention scheme for over 12 months, according to the latest estimates from the Office for Budget Responsibility. Does the Chancellor believe that the time is right for a radical overhaul of our taxation system in order to fulfil the Prime Minister's levelling-up promise, or is the truth that we are not really "all in this together"?

Rishi Sunak replied, saying:

No, I do not believe that now is the time, or ever would be the time, for a wealth tax. Now is the time to recognise the acute challenge that we face of unemployment and now is the time to act decisively and with compassion to provide hope and opportunity to the hundreds of thousands of young people, especially, who are at risk of scarring and losing the future that they deserve. That is why we have put in place the measures today, and that is what the focus should be on.

I am sure Rishi Sunak has his own very good reasons for opposing a wealth tax. What is clear is that, along with the prime minister, his mind is made up on this issue. What is also apparent is that it is being used to beat Labour with wholly false claims.

So what to do? As I have argued in the [Tax After Coronavirus](#) series, the answer is to concentrate on the need for additional taxes on the income from wealth rather than a wealth tax itself. And the yield would, anyway, be higher, whilst the wins would be easier to secure.

This issue is not dead as yet, by a very long way. A Chancellor saying no is not enough to end a debate.