

Taxing the multi-millionaires - Stopping companies bein...

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Inequality in the UK is increasing for many reasons. [In a series of videos](#) I am exploring one of these reasons, which is the way in which the UK tax system is biased towards the wealthy.

The wealthy do, of course, have money left over at the end of each month out of their income. That is, of course, one of the reasons why they are wealthy. If this wealth can be kept in a company then it will usually be taxed at a much lower rate than it would be if it was kept in a person's own name. UK corporation tax, currently charged at 19%, is lower than any income tax rate. Putting income into a company does, then, let the wealthy grow their savings at a faster rate than that available to anyone else, increasing inequality as a result.

There is a way to tackle this. We had something called close company rules in active use in the UK for more than two decades, but Margaret Thatcher by and large got rid of them. In this video I explore why we need them back, and why we need to force private companies that accumulate wealth for the simple reason of saving tax to pay an appropriate tax rate upon their earnings, or distribute their profits to those who will pay tax as a result.

<https://youtu.be/RajkPZccsy4>

This [video is one of a series](#). All of the videos are linked from this page on the Tax Research wiki, which is being updated as new videos are produced.