

Inheritance tax has been serving the nation since 1694,...

Published: January 13, 2026, 9:29 am

According to a Sunday Times article published last night and now covered by others, [including The Observer](#), Rishi Sunak is considering cutting inheritance tax. Whether this will be before the next election is unclear; more likely, it will be an election pledge. Whenever, or however, delivery is promised, this is a terrible idea.

I should be specific. I am not suggesting that inheritance tax need be retained in its existing form. There are good reasons to make changes to it, which I will get to in the Taxing Wealth Report 2024 series in due course. There are even one or two things that I think should now fall outside the scope of this tax. I hope to propose one of those changes during the course of the coming week. So, if Rishi Sunak said that he was reviewing the way in which inheritance tax worked, I could not argue with his intention to do so.

That, however, is not what he is saying. If the Sunday Times article can be relied upon, and I think it's safe to presume that it is based upon a well-placed leak, then Sunak's intention is not to reform or enhance inheritance tax. It is, instead, to cut it in the first instance, with a view to abolition thereafter.

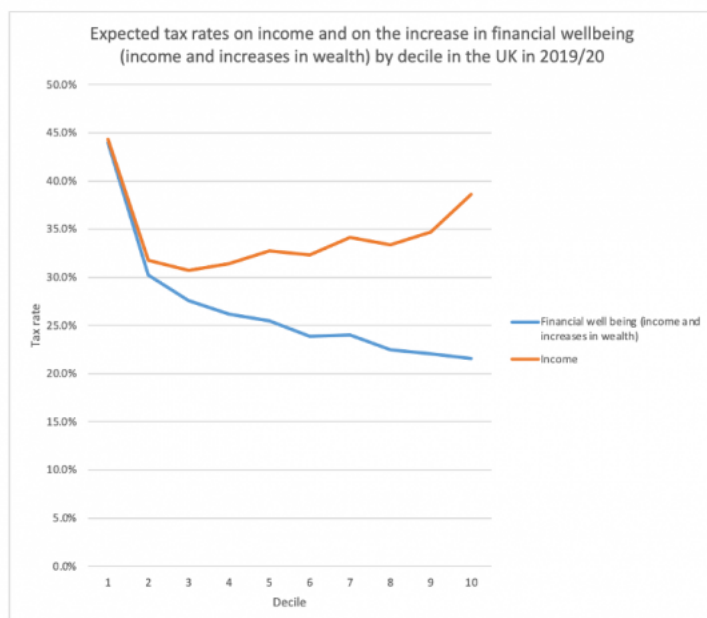
Let me just put that in context. Firstly, we have had inheritance tax or one of its predecessors since 1694. It is, in fact, of exactly the same age as the national debt, precisely because the existence of both makes sense.

Secondly, and more importantly, it raises a little over £7 billion a year, with that sum being on a rising trend at present. I did a couple of tweets on the consequences of losing this revenue, assuming that the control of inflation required its replacement, last night:



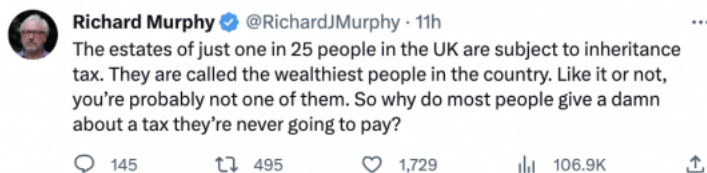
You will note that they got quite good reach given that they went out on Saturday evening.

Third, as I noted recently as part of the Taxing Wealth Report 2024, [those with wealth in the UK are seriously undertaxed](#). Those in the lowest decile of income earners in the UK pay tax at around 44% on their combined income and gains in financial well-being each year, whilst those in the top decile pay at 21.5%, or less than half that rate. That is why there is capacity to raise more tax from wealth in the UK.

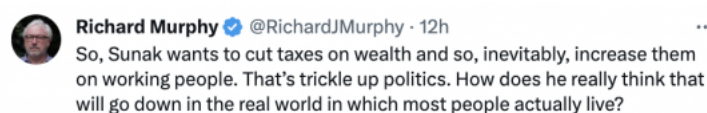


There is considerable capacity to raise more tax from those with wealth in the UK right now. The last thing we need is a tax cut for those who can afford to pay more.

Inheritance tax is, however, the tax that the right-wing media loves to hate, making it what has been described as the most hated tax in the UK when the reality is that less than 4% of estates in this country pay it. As I tweeted last night:



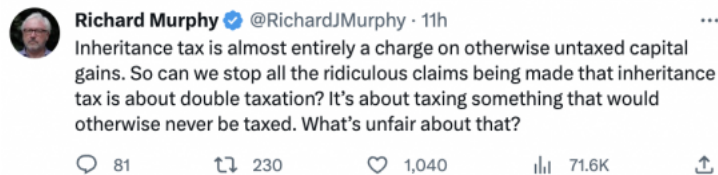
As I also said in response to the original article:



All the usual right-wing tropes on this issue are now coming out. I did an interview for Times Radio on it last night and noted on Twitter:



I then added this in response to comments:



It is an unfortunate fact that the wealthy have been successful in persuading people to believe this nonsense.

But at least it tells us where the Tories are.

They are on the side of the most wealthy and not of pensioners.

They are on the side of untaxed wealth and not of workers.

And they are on the side of shrinking the state as climate change threatens our well-being forever.

The debate on taxing wealth is not going away. At least the [Taxing Wealth Report 2024](#) is timely. But it is not top of the agenda as yet. I was asked to be on LBC Radio this morning, and the section on inheritance tax was dropped in favour of a discussion on HS2 (now running from a remote part of West London to a field somewhere south of Birmingham). I suspect that the chance to talk about it will happen, however. The subject of taxing wealth is not going away.