

Removing the domicile rule would be a rare smart move b..

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As [the Guardian reports](#) this morning:

Jeremy Hunt is considering scrapping Britain's non-domiciled tax rules in next week's budget, it has been reported, in a move that would see him poach one of Labour's key fiscal policies.

If it is announced in next week's budget, the Conservatives would be mirroring a Labour policy that Hunt has previously criticised. Abolishing the non-dom tax regime would raise an estimated £3.6bn a year.

As a very [long term campaigner for abolition of the domicile rule](#) I do not care who delivers this policy, which has always ensured that taxation in the UK is profoundly unjust because it has directly discriminated between people on the grounds of their place of origin. That would be illegal if undertaken by anyone but the government itself. My reason for wanting rid of this rule has always been ethical in that case.

In reality, this rule would need to be replaced by a short term residence rule. In the [Taxing Wealth Report](#) I have suggested that this means that the claimed revenue raising capacity of this change is open to doubt, whilst accepting the noted estimate because there are so many unknowns around this particular issue that any estimate is bound to be much more approximate than almost any other I have made when undertaking that work. Both Hunt and Labour might be disappointed by the outcome as a result, but I will not because the unethical discrimination will have gone.

Politically I would also add that this is a rare smart move by Hunt. He is going to lose the election, come what may, but removing Labour's position on this, undermining the very many ways in which they say that this money is going to be spent (which just shows that they have not the slightest idea that taxation never funds government spending) is a clever thing to do. Reeves has always been on the back foot when claiming she can deliver balanced finances when glaringly obviously she cannot and will not. Her position will now look to be even more untenable. I cannot see her reacting by talking sense, however. That would be too much to hope for.