

Funding the Future

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As the [Guardian has reported](#):

The Labour party has been drawing up options for how it could raise money through extra wealth taxes to help rebuild Britain's public services if it wins the general election, according to sources who have spoken to the Guardian.

The proposals under consideration include increases in capital gains tax (CGT) that could raise £8bn.

I am hardly surprised. Of course, they are looking at such taxes. They have to. As I showed [in the Taxing Wealth Report 2024](#), the capacity to raise additional tax from the wealthy because of the massive under-taxation of income and gains from wealth in the UK is enormous.

I am not suggesting for a moment that Labour should add all the recommendations and suggestions that [I made in that report](#). It does not need approximately £90 billion of additional tax revenue, although massive new funds for investment would not go amiss. Instead, the report provides a wide range of options for raising additional tax revenue from which Labour might choose.

Will Labour have the sense to do this?

Will it embrace the tax justice implicit in those recommendations, many of which are meant to be redistributive?

Or will it listen to the [voices of offshore tax advisers](#) suggesting that their clients might (I note, 'might') leave the UK?

Alternatively, might they [note a report in the FT](#) which says:

US millionaires have signalled their support for Joe Biden's push to make the wealthiest Americans pay more tax, in a sign that the president's plan to impose bigger levies on extreme wealth is playing well with the country's upper-middle class.

A YouGov poll of Americans with assets other than their home worth more than \$1mn

showed that a majority supported a more progressive US tax system, one of the tenets of Biden's economic strategy for re-election in November.

The wealthy are not as opposed to more tax as many deeply self-interested advisers might claim.