

Funding the Future

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The push for wealth taxes has been one of the defining economic debates of 2025. The question now is whether we want policies that work.

In this video, I argue that the fastest, fairest way to tax wealth is through higher taxes on the income, gains and transfers that wealth generates — not through complex and slow-to-deliver wealth taxes.

This approach raises more revenue, strengthens compliance, exposes hidden wealth, and keeps open the option of a wealth tax later if it is still needed.

If we are serious about justice, democracy and effective government, this is the path we should take.

https://www.youtube.com/watch?v=iSE8GsNZgBU&si=8ldQzPrjW_5DAy5C

This is the audio version:

https://www.podbean.com/player-v2/?i=wnn4c-19f9d65-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

We're coming towards the end of 2025, and it has been a year of endless talk about taxes on wealth. Let's be clear. I got there first. I wrote my [Taxing Wealth Report](#) in 2024, all 126,000 words of it, if you want to download it, and there will be a link below.

So, of course, I agree, we need to tax wealth more; we do. But I added a twist in that Taxing Wealth Report. I argued in that report that whilst we needed to tax wealth more, we could achieve this more easily by starting with the things that we've already got information on.

We know that income from wealth is undertaxed.

We know that capital gains are undertaxed in the UK.

We know that big gifts are often given away tax-free within the UK by those who are very wealthy because they can afford to do so, to get around the limitations within inheritance tax.

We know that big companies are undertaxed.

We know that small companies don't pay their taxes in too many cases.

We know that VAT is biased to the wealthy.

I tackled all those issues in that report, and I suggested that, as a result, I could find £90 billion of extra tax from these sources for the UK Treasury if a government wanted to make the changes I suggested.

No wealth tax has come anywhere near that with regard to potential revenue raised. Most estimates for most wealth taxes suggest they could not raise more than around £20 billion a year. So I can beat them hands down in terms of the attack on wealth, if that is the goal of the exercise by charging a wealth tax. And what is more, whilst wealth taxes are incredibly difficult to administer a point we'll come back to later in this video, the taxes that I proposed are very easy to administer because all the information to apply them already exists within the tax system and on people's tax returns.

So, I might be the outlier on this issue in 2025; the only person who's arguing that we should raise other taxes to achieve the goal of increasing taxation on wealth, but I don't care because I'm also the only tax practitioner in this debate. And I'm going to finish the year on a defiant note and say, "If we want to tax wealth in 2026, we should be going down my pathway."

The reason why is that we do need to tax wealth, but we need to find it first of all, and one of the great advantages of what I'm saying is that if we do increase the tax on all the things I've just mentioned, then we will make wealth more visible. The fact is that a lot of wealth is opaque and hidden at the moment, but once we increase the focus upon collecting tax from wealth then it will become easier to find it and to chase it and to check whether there is proper value there. So the pathway towards a wealth tax, if we do eventually need that, will be made easier by what I'm saying anyway.

We will be able to prove tax with greater certainty as a consequence of what I'm

suggesting, and that is important because we have two goals with a wealth tax.

One is simply collecting money, and there are good reasons for doing that; again, I'm going to mention them in a minute.

The second one is to make sure that we do build a sustainable tax system to ensure that we deliver tax justice and social justice and all the things that follow from that, including a belief in democracy, which is so important. The way I'm suggesting we build a wealth tax in that case is the one that is likely to achieve that goal as well.

Let's remember why do we want to tax wealth. It's not because the government needs the money. The government can always pay for what it wants if it wishes to do something by simply creating money with the Bank of England to secure the goal that it has. That is always possible. But it does need to take money back out of the economy to prevent inflation, and that means it has to choose who, and how, and why, people will be asked to pay tax.

The reality is that we know wealth is deeply distortionary in the world in which we live.

Wealth buys influence over markets.

It shapes housing outcomes.

It controls media narratives.

It distorts political decision-making.

So we need to tax wealth just because the wealthy have got it and use it to abuse the rest of us. Unchecked wealth undermines democracy.

Wealth also grows faster than the real economy. That's the consequence of having compound growth and interest rates that literally ensure that, in most cases, that is the outcome at present, and economic power therefore becomes political power. That power is then used to resist taxation, and the system locks itself in. And that is why we need to charge more tax on the income from wealth simply to prevent the corrosive impact that wealth has on our society.

That's critical. We aren't trying to just fund things. Wealth taxation is about restraint.

It's about fairness.

It's about democracy.

It's about ensuring that we get real policy choices to balance the principles of power within our society.

And as I've already mentioned, there are two ways to achieve this. We can either tax wealth directly, or we can tax income and gains from wealth, and they're not the same policy. They have some very different consequences.

Technically, a wealth tax is achievable; I'm not arguing about that. Of course, it is possible. I could design a wealth tax. I could make it work. I would know how to do that. I'm technically able to deliver one. But they are complex by design, and they are difficult to enforce, and the valuations that underpin them are a nightmare. I will say that as a tax practitioner.

You can argue about the value of a work of art forever. You could do the same about a racehorse, and frankly, there's quite a lot of other things that fall into the same category, including expensive properties, for example.

A wealth tax would take years to implement and raise relatively little revenue; £20 billion or so a year. I could achieve that with just one of my suggested changes with regard to raising additional tax from income from wealth, which would be imposing an investment income surcharge.

So we could instead go for this second option and increase the tax that is charged on the returns arising from wealth, whether they be income or gains.

We could also increase the charges on gifts, particularly large ones.

So we could change income tax, national insurance, inheritance tax, and capital gains tax, and raise more money. The consequence would be cheaper and more effective with regard to administration, but these changes could also be delivered more quickly and raise more money.

So, we have a choice. Which of these options works better?

I know that the suggestion I've got will literally work better. But it provides us with the option of introducing a wealth tax after all the changes that I have suggested, if that is still necessary, because it will provide us with more information on where wealth is. In other words, this is an effective tax system and not just a symbolic tax system, and that is really important.

I have a strong feeling that many of those who are talking about wealth taxes at present don't want them because they want a tax that works, but they want a tax that is morally satisfying. Talking about wealth taxes makes them feel radical. Nothing wrong with feeling radical. I feel radical a lot of the time. All the proposals I'm making here are radical, but I'm not interested in being performative. I want real reform, and I want it in a way that produces least resistance to change, and I believe my recommendations would have that built within them.

Bad choices have real costs. We could spend years trying to design an unworkable

wealth tax. We could wait forever to get the change that we want. We could wait for the income that a wealth tax could deliver for the government, supposedly to tackle inflation; but actually, as far as many of the proponents of this tax think, to fund government services, which will not be paid for in the meantime because they don't understand how government really works with regard to its spending . In the meantime, we'd also have further erosion of democratic accountability.

So, instead, we could do what I'm suggesting. We could increase the income tax rates, national insurance rates, capital gains tax rates, and maybe inheritance tax rates in very selective and targeted ways that will ensure that only the wealthy pay. That is key. And we have to understand that wealth is not income, but it is best taxed for now through income and gains, and that doing that will reduce the wealth of the wealthiest in the UK faster than anything else we can do. The delivery of the proposals I have to make is therefore faster, fairer, and more effective than any other form of wealth tax that anybody else is proposing.

If we're serious about justice, this is where we have to go in 2026. I love the foundations that people have built. I love the enthusiasm for imposing wealth taxation because it's absolutely essential that we do rebalance our economy and that those who have more pay more. But I do want us to get serious about how this is possible, and in 2026, my great wish would be, let's understand how to deliver cost-effective wealth taxes that are achievable.

To do that, I suggest going back to my [Taxing Wealth Report 2024](#), because it laid out the plan that we need.

Tickets are now on sale for the **Funding the Future live event in Cambridge** on 28 February. [Tickets and details are available here](#).

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