

People do want progressive taxation. We are a long way ...

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Chris Giles, the long-time economic commentator in the FT, noted [in an article published this morning](#) that:

When it comes to tax changes, the word 'progressive' has become a synonym for 'good'... And now people hate the results.

Chris Giles suggests something that seems important: that progressive taxation has become unpopular because people do not like its consequences. However, that claim needs careful unpacking, because it rests on a false premise. Despite what Giles claims, the UK tax system is not especially progressive. It is, in fact, incoherent and often regressive. Let me explain.

First, many of the measures Giles cites are not examples of progressive taxation. They are examples of badly designed withdrawal systems.

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Removing child benefit at arbitrary income thresholds creates cliff edges and absurd marginal tax rates.

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Means-testing winter fuel payments does the same.

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Student loan repayments at high interest rates are not taxes at all; they are just disguised debt collection.

These measures do not create vertical tax equity. They create traps. They also destroy horizontal tax equity because two households on the same income can face very different tax burdens depending on family structure, pension saving, or student loan status. That is not tax justice, and that is what people do not like.

Second, the UK tax system is riddled with reliefs that favour wealth over work.

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Capital gains tax rates are lower than income tax rates.

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National insurance falls away on high incomes and does not apply to many investment returns.

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Wealth itself is lightly taxed, if at all.

The result is simple. A graduate on £65,000 with a student loan and children can face a marginal tax rate higher than a millionaire living on dividends. That is not progressive. It is absurd.

Third, complexity is not the inevitable result of fairness. It is the result of political cowardice.

Successive chancellors, both Labour and Conservative alike, have refused to tackle wealth taxation, tax avoidance, and corporate abuse. Instead, they have layered withdrawal rules and stealth taxes onto PAYE earners because they are easy to reach. This is the politics of convenience masquerading as progressivity. Giles totally misrepresents this.

Fourth, Giles is wrong to suggest that resentment proves progressivity is unpopular. What people resent is unfairness. They resent:

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rules they cannot understand;

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marginal tax rates that feel like punishment;

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reliefs that benefit those with accountants;

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the sense that the rich still escape.

In other words, they resent a politics of destruction in taxation, not a politics of care.

What are the consequences?

First, public trust in tax collapses. People who believe the system is rigged withdraw consent.

Second, labour market behaviour is distorted. People might alter hours, pay methods, or employment status to avoid thresholds.

Third, the far right gains traction. When tax looks arbitrary and punitive, it is easy for populists to blame migrants, social security claimants, or public services instead of structural injustice.

Fourth, progressive reform becomes harder. Voters who distrust tax resist the very policies needed to fund care, climate transition, housing, and health.

So what should we conclude?

First, we need genuine progressivity. That means taxing income from wealth at least as much as income from work.

Second, we need simplicity built on fairness, not simplicity built on surrender. Align income tax and national insurance. Remove arbitrary withdrawal cliffs. Replace student loan pseudo-taxes with honest funding of higher education.

Third, we need horizontal equity. People on similar incomes should face similar tax burdens.

Fourth, we need to tax wealth properly through fair property taxes, fairer, more progressive, and loophole-free inheritance taxes, capital gains taxed at income tax rates, and increased taxes on corporate profits, whilst taking further measures to challenge those shifted offshore. Without this, any claim of progressivity is fiction.

Finally, we need to say something else very clearly. Tax is not a punishment. It is the price of a civilised society. It is essential to the government funding cycle to control the inflationary impact that government spending would otherwise have. Whilst tax might never fund social security, healthcare, education, infrastructure, and much else, without tax investment, none of those would be possible.

Chris Giles is right that people are angry. He is wrong about why.

People do not hate progressive taxation. They hate a tax system that pretends to be progressive while protecting wealth and punishing work.

A politics of care would design taxation differently. It would start with fairness,

transparency, and accountability. It would tax real ability to pay. And it would use the proceeds to build a society in which no one is abandoned.

That is the debate we need to have. Now.

And there is more on all of this in the [Taxing Wealth Report](#), of course.