

Political Parties' Tax Proposals Comparison:

Conservative Party, Labour Party and Liberal Democrats



The table below summarises the key tax policies of the political parties. It does not include every measure, so for more detail please visit the [Election 2019 webpage](#)

	Conservative Party	Labour Party	Liberal Democrats
Corporate Tax	<ul style="list-style-type: none"> Maintain the corporation tax rate at 19%. Devolve responsibility for corporation tax to Northern Ireland. Implement the digital services tax. 	<ul style="list-style-type: none"> Increase corporation tax rates, initially to 21% and increasing to 26% by April 2022. Reintroduce a small profits rate for firms with a turnover under £300,000 a year of 19%, rising to 21% by April 2021. Treat corporate groups, under common ownership, as unitary enterprises to ensure that profits are declared, and taxes paid, where economic activity occurs and where value is created. Reverse cuts to the bank levy. Establish a small graduated levy on companies paying out high incomes: 2.5% for income paid above £300,000; 5% for income paid above £500,000; and 7.5% for income paid above £1 million. Conduct a comprehensive review of existing Advance Thin Capitalisation Agreements (ATCAs), and adopt a general presumption against making them. 	<ul style="list-style-type: none"> Restore the corporation tax rate to 20% and keep the rate stable. Simplify business taxation to reduce administration costs and opportunities for tax avoidance. Improve the digital sales tax. Reform the place of establishment rules to stop multinationals shifting profits out of the UK. Review the tax status of employees, dependent contractors and freelancers to ensure fair and comparable treatment.
Business Rates	<ul style="list-style-type: none"> Conduct a fundamental review of the business rates system with aim of reducing business rates. 	<ul style="list-style-type: none"> Review the option of a land value tax on commercial landlords as an alternative to business rates. 	<ul style="list-style-type: none"> Replace business rates in England with a Commercial Landowner Levy based on the land value of commercial sites rather than their entire capital value, to shift the tax burden from tenants to landowners.
Corporate Tax Reliefs	<ul style="list-style-type: none"> Increase the employment allowance for small businesses. Increase the tax credit rate for R&D from 12% to 13% and review the definition of R&D. Increase structures and buildings allowance by 1% and encourage investment in physical building and equipment. Maintain support for creative sector tax reliefs. 	<ul style="list-style-type: none"> Carry out a review of corporate tax reliefs for their effectiveness against their stated aims compared with alternative measures to achieve those aims. Phase out the patent box relief and R&D tax credits for large corporations, while keeping the R&D tax relief SME scheme and increasing direct support for R&D 	<ul style="list-style-type: none"> Support the growth of the tech sector by allowing companies to claim R&D tax credits against the cost of purchasing datasets and cloud computing. Continue to support growth in the creative industries with tailored industry-specific tax support.
Income Tax	<ul style="list-style-type: none"> Review and reform entrepreneur's relief. Guarantee no increase to income tax. 	<ul style="list-style-type: none"> Scrap non-domicile status altogether, consulting on whether there is a need for an exception for foreign residents in the UK for a short period of time. Freeze income tax rates for those earning less than £80,000. Lower the 45% income tax threshold from £150,000 to £80,000. Create a new 'Super-rich' tax rate of 50%, applicable to income over £125,000. Abolish the dividend allowance (subject to a threshold). Scrap entrepreneurs' relief and consult on a better form of support for entrepreneurs. Scrap marriage allowance. Abolish the rates of tax applicable to dividends, and tax them with all other income and capital gains. 	
National Insurance	<ul style="list-style-type: none"> Guarantee no increase to National Insurance. Raise the National Insurance threshold to £9,500 in April 2020, with the ultimate ambition being to raise the threshold to £12,500. 	<ul style="list-style-type: none"> Freeze National Insurance for those earning less than £80,000 	

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Inheritance Tax		<ul style="list-style-type: none"> Reverse cuts to inheritance tax by abolishing the residence nil rate band. 	
Capital Gains Tax		<ul style="list-style-type: none"> Tax capital gains with income at the same tax rate (capital gains will continue to fall outside the scope of National Insurance) Remove the annual capital gains exempt allowance (above a threshold of £1,000). Retain capital gains tax exemption for primary residences. Introduce a 'rate of return' allowance (set at contemporary 10-year bond rates) so that gains below this rate will be earned tax free. 	<ul style="list-style-type: none"> Abolish capital gains tax-free allowance and instead tax capital gains and salaries through a single tax-free allowance.
VAT	<ul style="list-style-type: none"> Guarantee no increase to VAT. 	<ul style="list-style-type: none"> Guarantee no increases in VAT. Ensure no quarterly reporting for small businesses below the VAT threshold. Impose VAT on private school fees. 	<ul style="list-style-type: none"> Refund colleges for the VAT they pay. Reduce VAT on home insulation Cut VAT on electric vehicles to 5%.
Property	<ul style="list-style-type: none"> Introduce a stamp duty surcharge on non-UK resident buyers. 	<ul style="list-style-type: none"> Introduce a levy on overseas companies buying housing, while giving local people 'first dibs' on new homes built in their area. Introduce a new 'use it or lose it' tax for developers on stalled housing developments. Introduce a new annual levy on second homes that are used as holiday homes, equivalent to 200% of the current council tax bill for the property. Introduce an additional charge at 20% on purchases by offshore companies and trusts of UK residential property, supplementary to existing stamp duties. Remove the trading exemption for indirect disposals of commercial property by non-residents and replace it with an exemption targeted at small investors. Establish a £1 million limit on the exemption that means capital gains tax is only paid by an investor who owns more than 25% of the company. 	<ul style="list-style-type: none"> Stamp duty surcharge on overseas residents purchasing properties as second homes. Graduate stamp duty land tax in accordance with the energy rating of the property.
Anti-avoidance	<ul style="list-style-type: none"> Tackle tax evasion and reduce opportunities for aggressive tax avoidance by setting out a new anti-tax avoidance and evasion law. 	<ul style="list-style-type: none"> Launch a 9-month public inquiry to investigate common tools of avoidance and evasion and recommend policy measures to eliminate these tools. Provide stronger support for HMRC, transforming its power and resources, in order to clamp down on enablers of tax avoidance and evasion, as well as avoiders and evaders themselves. 	<ul style="list-style-type: none"> Introduce a general anti-avoidance rule and set a target for HMRC to reduce the tax gap.





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