

# TAXJUSTICE.UK

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## **New figures show how inheritance tax breaks are being hoovered up by the wealthy**

A small number of the wealthiest families in the country are sharing up to £666 million a year in inheritance tax reliefs, a report by Tax Justice UK has found. Under current rules large amounts of agricultural and business property are exempt from inheritance tax, costing the government almost £1 billion a year in total.

The report estimates that almost 80% (£458 million) of the total £595m of business property relief given in 2015/16 went to just 234 families with similar findings on agricultural property. The amounts foregone could have been invested in the NHS and schools instead.

Tax Justice UK Executive Director, Robert Palmer, said: “Wealth inequality is at staggeringly high levels and this report shows how it is in part underpinned by inheritance tax reliefs. There is no justification for politicians allowing costly tax breaks to continue to operate this way.”

The report challenges the assumption that the tax breaks are needed to support smaller family businesses and farms, arguing instead that they fuel property inflation and may price many out of farm ownership entirely. Institutional investors increasingly see agricultural property as a tax efficient place to park money and get a tax break.

A review of inheritance tax by the [Office for Tax Simplification](#) is due to report shortly.

Mr Palmer added: “Clearly action is needed. We would like to see a cap on the amount of relief available. Tax breaks like these, that unfairly benefit the already wealthy, need to be reined in if the public is to have confidence in the inheritance tax system as a whole.

“Fair taxes on wealth must be part of the solution to properly funding the NHS, schools and other public services we all deserve.”

For more information or to arrange an interview, contact:

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**Notes to editors:**

*'In Stark Relief: how our inheritance tax system is designed so the richest pay the least'* is available at [www.taxjustice.org](http://www.taxjustice.org)

Among its key findings we estimate that in 2015/16, the latest year that figures are available for:

- 261 families with agricultural property assets worth more than £1m shared a tax saving of roughly £208m in agricultural property relief, representing 62% of the relief given out that year;
- 234 families with business assets worth more than £1m shared a tax saving of roughly £458m business property relief, representing 77% of the relief given out that year;
- 62 families with agricultural property worth more than £2.5m shared an approximate tax saving of £107m, which works out as an average saving of £1.7m per estate;
- At the very top, just 51 families, with business property worth over £5m shared an approximate tax saving of £327m, which works out as an average saving of £6.4m per estate.

It's likely the figures are an underestimate as they do not include any agricultural or business property held in trusts.

**About us:**

Tax Justice UK is a campaigning and advocacy organisation. Our mission is to ensure that everyone in the UK benefits from a fair and effective tax system. We are not-for-profit and politically non-aligned. Tax Justice UK is a partner of (but independent from) the Tax Justice Network.

For more information visit: [www.taxjustice.uk](http://www.taxjustice.uk)