Capital gains tax due on a lifetime of asset growth when passed on at death.

0%

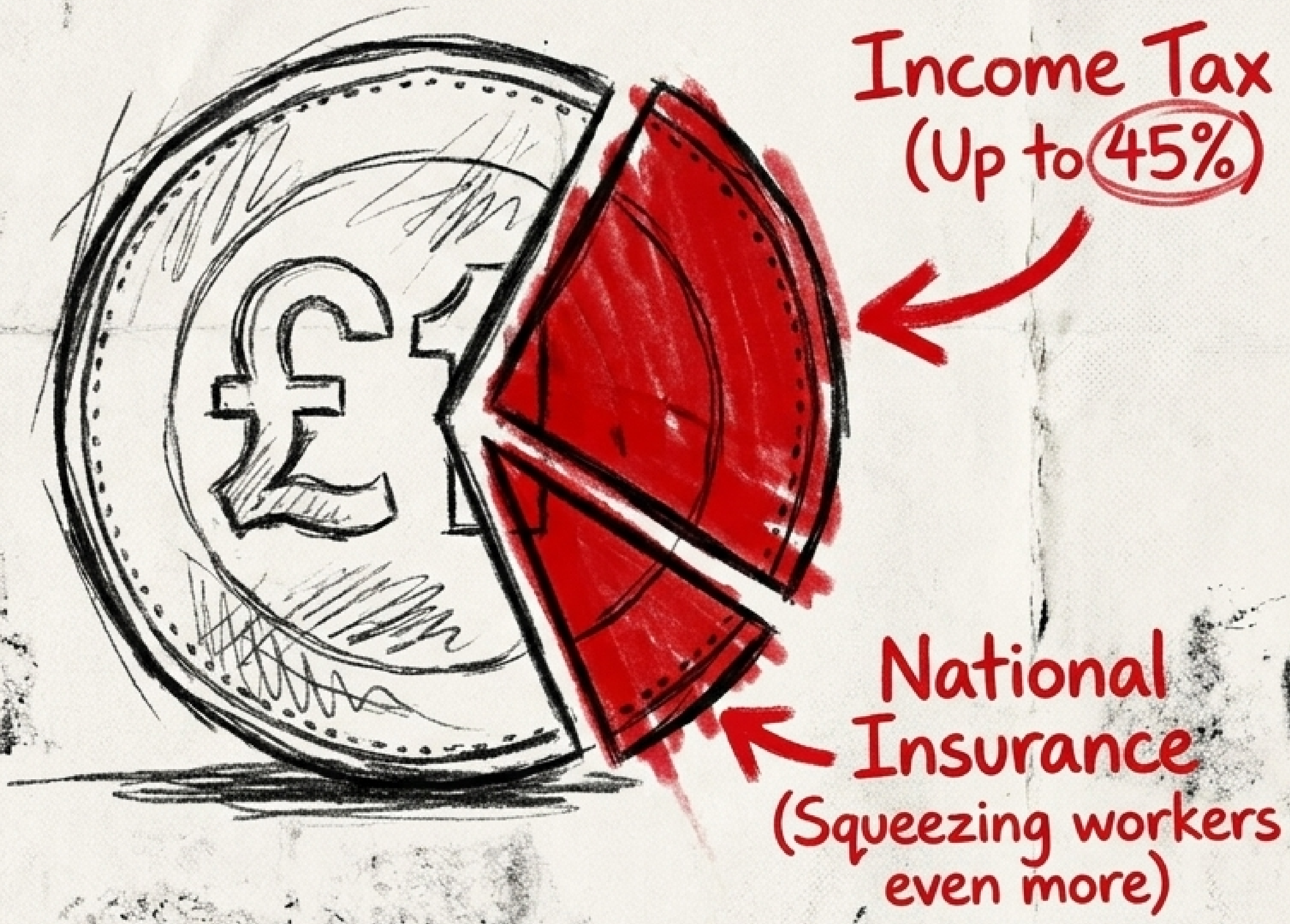
The system doesn't just favour wealth.
It hits the reset button for it.

The £Trillion Question.

Do people who inherit wealth pay less tax than people who work for it?

Spoiler: Yes. A lot less.

Money made from sweat.



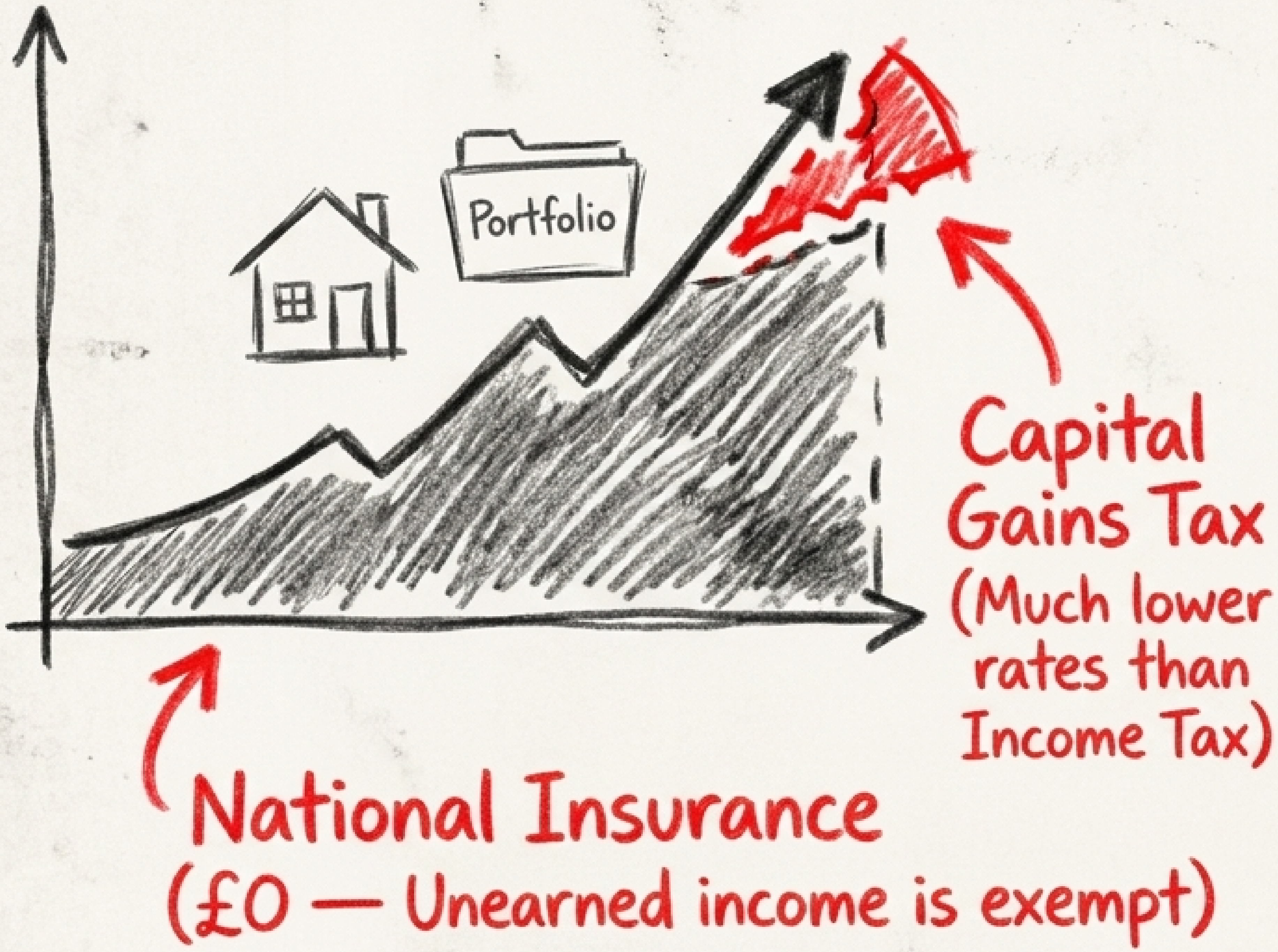
If you work for a living, the state is highly efficient at taxing you.

The highest earners from labour lose roughly half their income.

Meanwhile, 60% of all people in poverty live in working households.

Work is being taxed heavily, but it is no longer paying off.

Money made from money.



If your money makes money, you play by a different, cheaper set of rules.

As economist Gabriel Zucman notes, the ultra-wealthy hold assets that accumulate unrealized gains, allowing them to report shockingly little taxable income while their fortunes skyrocket.

Buy, Borrow, Die

BUY. Acquire assets (property, stocks). Watch them grow.

BORROW. Never sell. Selling triggers Capital Gains Tax. Instead, borrow cash to live lavishly, using growing assets as collateral. Borrowed money isn't taxed.

DIE. Pass the assets to your heirs.

This is how billionaires legally report almost zero taxable income.

The ultimate loophole: Stepped-Up Basis.

When you die, the capital gains clock is wiped clean.

- You buy an asset for £1M. It grows to £10M.
- If you sell it alive, you owe tax on the £9M gain.
- If you die and pass it on, the government hits reset. It pretends the heirs bought it for £10M.
- The £9M of growth is **never** taxed for capital gains.

But wait, don't they pay 40% Inheritance Tax?

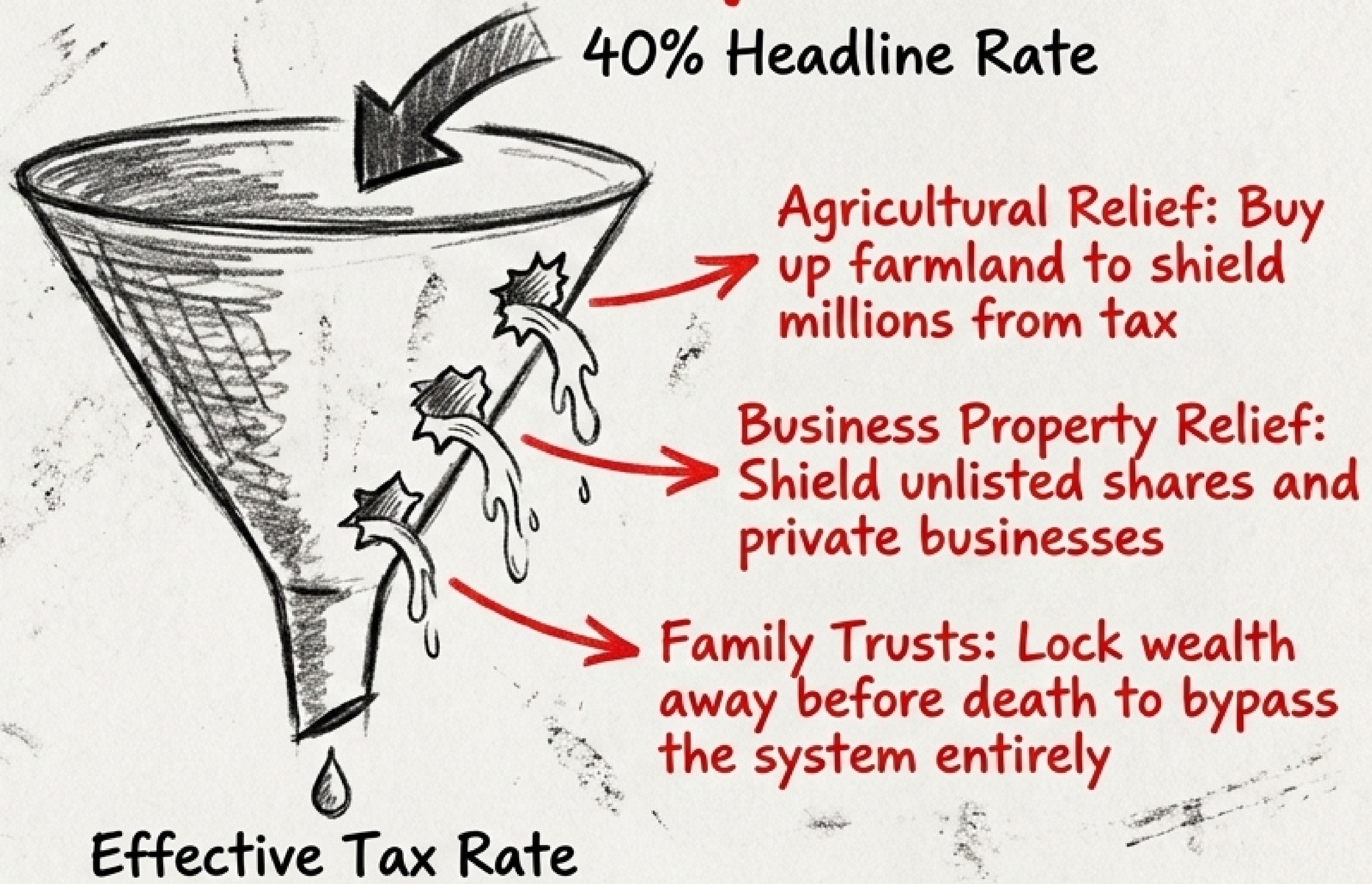
~~40%~~

The headline Inheritance Tax (IHT) rate in the UK is 40%. It sounds like a massive wealth leveller.

It's an illusion.

The 40% rate is strictly for the moderately wealthy. The ultra-wealthy use structural reliefs to cut their bills far below the headline rate.

The Great Escape



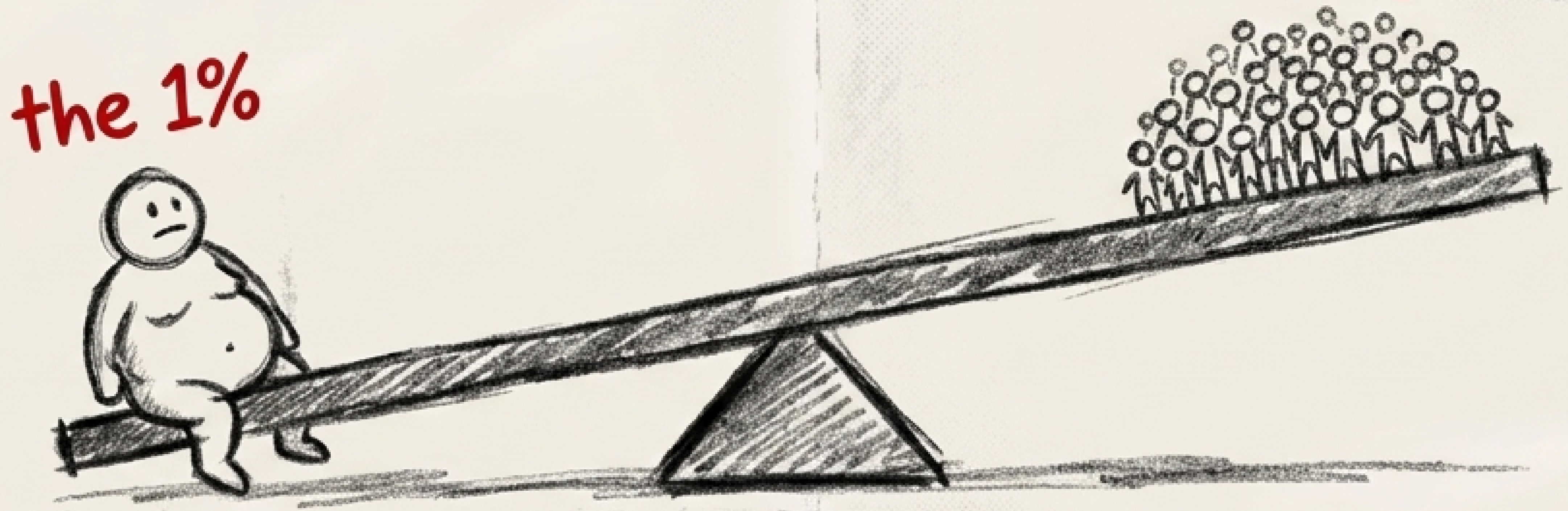
The largest estates use generous reliefs to pay an effective rate far lower than upper-middle-class families whose wealth is stuck in a single family home.

The Tale of Two Taxpayers.

	The Worker (Earned Income)	The Heir (Inherited Wealth)
Source:	Labour & Time	Asset Appreciation
Tax rate on growth:	Up to 45% + National Insurance	Lower CGT rates + £0 NI
Tax at death:	N/A	Gains wiped out to 0%
Loopholes:	Almost none	Trusts, Agricultural, Business reliefs

Pure structural advantage.

The Rentier Economy



Because money is taxed less than sweat, wealth is aggressively hoarding at the top, leaving the real economy starved of capital.

- The richest 1% of adults in the UK possess more wealth than 70% of the population combined. (Oxfam)
- A person in the richest 1% owns 456x more wealth than a person in the poorest 50%.
- UK billionaire wealth recently grew by £30.3 million a day.

Money is money, regardless of how you make it.

- [x] Equalize Tax Rates: Tax capital gains at the same rate as earned income (raises ~£14B).
- [x] End the Death Loophole: Abolish the stepped-up basis to kill the buy, borrow, die cycle.
- [x] Cap the Reliefs: Stop the ultra-wealthy from using farmland and trusts as tax shields.
- [x] Tax Extreme Wealth: Introduce a targeted 2% wealth tax on fortunes over £10M (raises ~£24B).

Capital flight is a myth. NBER data shows when wealth taxes hit, a mere 0.01% actually relocate.

Where the numbers come from.

- Wealth Tax Commission Final Report (LSE/Warwick)
- Tax Justice UK & Patriotic Millionaires UK Policy Recommendations
- Oxfam GB: Wealth Inequality Data
- The Trading Game / GarysEconomics by Gary Stevenson
- National Bureau of Economic Research (NBER): Migration Responses to Wealth Taxes
- Gabriel Zucman: Minimum Effective Taxation Standard

The UK doesn't have a money problem. It has an extraction problem. Share this deck. Start the conversation.