



Dear Sir

Jeremy Hunt has scrapped the reduction in the basic rate of tax and said that difficult decisions will have to be taken. But he also said that the Government should be compassionate, with those who are struggling at the top of their minds.

With this latter in mind, despite all the difficulties he faces, at a time of growing in-work poverty he should consider tax changes which benefit the least well-off – in particular those in poverty with incomes of less than 60% of the median; those where one parent stays at home to look after children or care for a relative; those with large families; and those with mortgages, especially at a time of rising interest rates, where the interest is not taken into account for universal credit.

Liz Truss talked of this in her leadership campaign, but nothing has been done. What Jeremy Hunt can do now to help the least well-off taxpayers is to increase very significantly the marriage allowance, extend it to cohabiting couples, and remove the cliff edge denial of the allowance where a taxpayer has £1 chargeable at the higher rate. For single parents, an allowance comparable with the Additional Personal Allowance of the 1990s would be appropriate.

He also needs very significantly to increase the threshold and run-out point for the High-Income Child Benefit Charge, which despite its name, can affect even people in poverty, and gives rise to very high marginal rates.

These measures would significantly help struggling taxpayers.

Yours sincerely

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