

We will:

- ♦ Raise the tax-free Personal Allowance to at least £12,500 by the end of the next Parliament, putting around £400 back in the pockets of millions of working people and pensioners. We will bring forward the planned increase to an £11,000 allowance to April 2016.
- ♦ Consider, as a next step, and once the Personal Allowance rise is delivered, raising the employee National Insurance threshold to the Income Tax threshold, as resources allow, while protecting low earners' ability to accrue pension and benefit entitlements.
- ♦ Ensure those with the highest incomes and wealth are making a fair contribution. We have identified a series of distortions, loopholes and excess reliefs that should be removed, raising money to contribute to deficit reduction. These include reforms to Capital Gains Tax and Dividend Tax relief, refocusing Entrepreneurs' Relief and a supplementary Corporation Tax for the banking sector. In addition, we will introduce a UK-wide High Value Property Levy on residential properties worth over £2 million. It will have a banded structure, like Council Tax.
- ♦ Take tough action against corporate tax evasion and avoidance, including by:
 - ❖ Setting a target for HM Revenue and Customs to reduce the tax gap and continuing to invest in staff to enable them to meet it.
 - ❖ Introducing a general anti-avoidance rule which would outlaw contrived structures designed purely or largely to avoid tax.
 - ❖ Implementing the planned new offence of corporate failure to prevent economic crime, including tax evasion, with penalties for directors up to and including custodial sentences.
 - ❖ Levying penalties on firms proven to facilitate tax evasion, equivalent to the amount of tax evaded by their clients.
 - ❖ Asking the Bank of England's Financial Policy Committee to consider the approach to paying tax taken by banks for themselves, their employees and for their customers, as part of their assessment of the risks posed by the sector, supported by an annual report by HMRC.
- ♦ Restrict access to non-domiciled status, increasing the charges paid to adopt this status and ending the ability to inherit it.

3.2 Help with childcare costs

Many parents want to take significant time out from work to care for young children but in many families both parents want or have to