



Under previous governments, excessive rates of taxation have killed incentives for people to create wealth and make the most of their talents.

Our approach to the economy revolves around restoring incentives for workers by cutting taxes and ending the current 'open door' arrangement for European labour that has driven down wages in recent years.

By the end of the next parliament, UKIP will:

- **Raise the personal allowance to at least £13,000** so people can earn enough money to cover their basic living costs before the state starts to take income tax out of their pay packets. This will take those on minimum wage out of tax altogether
- **Abolish inheritance tax.** Assets bought out of taxed income should not be taxed again when their owners die. We will strike out the hated 'death tax.' It hits the middle classes hardest, those who have worked to provide for their dependents, because the wealthiest almost always manage to avoid paying it
- **Raise the threshold for paying 40 per cent income tax to £55,000 and introduce a new intermediate tax rate of 30 per cent on incomes ranging between £43,500 and £55,000.** A tax originally designed for high earners should not be levied on middle-income earners such as school teachers and senior nurses
- **Increase the transferable tax allowance for married couples and civil partners to £1,500.**

The longer term aspiration of a UKIP government will be to create an income tax structure of a basic rate of 20 per cent, an intermediate rate of 30 per cent, and a top rate of 40 per cent, meaning income taxes will be flatter and lower. Bringing down taxes on working people at the bottom and in the middle ranges of the income scale is our priority. In the longer term, we will aim to restore the personal allowance to those earning over £100,000 and make 40 per cent the top rate of tax for all, as it used to be.

## VAT

Outside the EU, we will have control over VAT. Significantly, we will be able to deal with distortion imposed by EU legislation and zero-rate certain goods and services that have previously had VAT charged on them. This means we can – and will – remove VAT completely from repairs to listed buildings and sanitary products, for example.

## CORPORATION TAX DODGING

It is grossly unfair that a few multi-national corporations have been able to access all the benefits of our thriving British consumer market without making a proper contribution to the costs of British society. The public has every right to be angry about this.

**UKIP will not allow large companies to continue getting away with paying zero or negligible corporation tax in Britain. We will bring this unfairness to an end.**

By restoring British tax sovereignty, which we lost when we signed up to the EU, we will end the practice of businesses paying tax in whichever EU or associated country they choose. Our membership of the EU enables companies to avoid paying some UK taxes with impunity and we will close this loophole.

We will also set up a Treasury Commission to monitor the effectiveness of the new Diverted Profits Tax and bring in any further measures necessary to prevent large multinational corporations using aggressive tax avoidance schemes.