

Labour voters back plans to stop wealthy non-doms fleeing Britain

The Government's voters support proposal exempting ultra-wealthy from some taxes



Rachel Reeves faces mounting pressure to make the rich pay more Credit: Andy Rain/EPA-EFE/Shutterstock

Labour voters would back plans to stop ultra-wealthy individuals fleeing the UK after Rachel Reeves's tax raid [prompted thousands to leave](#).

On Tuesday, research published by think tank Onward found that nearly three-quarters (69pc) of Labour supporters would back the Government if it exempted the richest from some taxes in return for them paying a small lump sum in cash and investing in the UK economy.

Under Onward's proposal, wealthy residents could be exempt from taxes on foreign income, capital gains, and inheritance for 15 years in return for paying a flat £300,000 fee.

They would also have to invest £3m into one of the Government's industrial priorities, such as life sciences, clean energy and financial services, to qualify for the tax break.

Sir Simon Clarke, the director of Onward, said: "It is crazy for us to chase wealthy people out of this country when they could be both paying tax and making a hugely important wider economic contribution here."

The proposal comes as Ms Reeves faces mounting pressure from Labour backbenchers and union backers to [make the rich pay more](#).

Ms Reeves has already increased taxes since coming to power last year. These include abolishing the non-dom status and [tightening inheritance tax rules](#), along with tax rises on business.

However Labour backbench MPs have increasingly called for a wealth tax from the Chancellor to fix Britain's finances.

Lord Kinnock, the former Labour leader, said recently that [the public was "fed up"](#) with the richest going "unscathed".

He said imposing a 2pc tax on asset values above £10m would deliver £10bn to £11bn for the Treasury.

However, Lord Mendelsohn, Labour's former business spokesman, said: "A small group of wealthy individuals pay a significant proportion of the tax we rely upon. I do not agree with some colleagues that we should wave goodbye to the wealthy."

Many wealthy figures have already left Britain, including Goldman Sachs' most senior UK banker Richard Gnodde, Aston Villa co-owner Nassef Sawiris and Charlie Mullins, the founder of Pimlico Plumbers.

Henley & Partners, an advisory firm, expects the UK to lose more millionaires than any other country this year as high taxes drive away the wealthy. According to its research, 16,500 millionaires will leave the UK in 2025 - up from 10,800 last year.

Andrew Griffith, shadow business secretary, said: "There is nothing good about wealth creators fleeing the country leaving the rest of us to pay higher taxes or have worse public services."

Last night, a Treasury spokesman said: "The UK remains highly attractive.

"Our main capital gains tax rate is lower than any other G7 European country and our new residence-based regime is simpler and more attractive than the previous one, whilst it also addresses tax system unfairness so every long-term resident pays their taxes here."