

# Here's how Labour will pay for their manifesto policies and what it means for your taxes

 [mirror.co.uk/news/politics/heres-how-labour-pay-manifesto-10432615](https://www.mirror.co.uk/news/politics/heres-how-labour-pay-manifesto-10432615)

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Labour launched its [manifesto](#) this morning promising a string of eye-catching policies including scrapping tuition fees and re-nationalising railways.

Labour's dramatic public spending plans will cost nearly £50bn-a year, the party revealed today.

But every penny of the £48.6bn annual cost of Labour's left-wing manifesto is costed through tax hikes for the rich, the manifesto says.

Here's a quick roundup of the numbers.

## What are the big costs in the manifesto?

- Scrapping tuition fees and restoring maintenance grants: **£11.2bn**
- Investment in schools: **£6.3bn**
- Universal childcare: **5.3bn**
- NHS investment: **£5bn**
- Scrapping public sector pay cap: **£4bn**
- Extra money for social care: **£2bn**

## How will they pay for it - and how will my taxes change?

### Corporation tax

- Almost half of this huge public investment programme will be funded by reversing the Tory cuts to corporation tax paid by the biggest firms.
- Bringing the rate back up to 26% will raise **£19.4bn** a year, the party said today.

### Income tax

- Anyone earning more than £80,000-a-year will see their income tax rate hikes from 40p to 45p in the pound, documents released alongside the manifesto show
- And anyone earning more the £123,000-a-year will pay a new 50p rate of tax
- Nobody earning less than £80,000-a-year - which accounts for 95% of earners - will pay a penny more in tax under Labour plans, the manifesto states
- These new taxes will raise **£6.4bn**

### If you earn £100,000 a year, you'll pay an extra

£1,000

a year

£19.23

a week

IFS/HMRC

### **If you earn £150,000 a year you'll pay an extra**

£5425

a year

£104

a week

IFS/HMRC

### **If you earn less than £80,000 a year you'll pay an extra**

£0

a year

£0

a week

IFS/HMRC

## **VAT and National Insurance**

- Jeremy Corbyn explicitly ruled out raising VAT or National Insurance

## **The 'Fat Cat Tax'**

- A new "excessive pay levy" would be charged to firms with employees on more than £330,000 a year
- Labour don't say in their documentation what the rate would be - but they believe it would raise **£1.3bn**

## **Clamping down on tax avoidance**

- Labour vowed to raise **£6.5bn** from a clampdown on tax avoidance, and **£5.6bn** by extending stamp duty taxes to some City transactions
- Rolling back corporate tax reliefs will raise another **£3.8bn** -a-year, and reversing Tory cuts to capital gains tax, inheritance tax and the married couples allowance will raise **£3.7bn**
- Scrapping the VAT exemption on private school fees will raise **£1.6bn**

## **What if their estimates are wrong?**

- The party's costings also include almost **£4bn** -a-year of headroom to allow for "uncertainty" and people changing their behaviour to lower tax payments