# Priti Patel calls on Jeremy Hunt to stop planned corporation tax rise

Former home secretary Priti Patel has urged the Chancellor to use his Budget next month to halt the planned corporation tax rise.

The senior Conservative has argued that “now is not the time” for an increase in the tax on big business.

In plans agreed while she served in Boris Johnson’s cabinet, corporation tax is due to rise from 19 to 25% in April.

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Ms Patel has also called on Chancellor Jeremy Hunt to pull out of an international agreement preventing corporation tax from falling below 15%.

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Britain was signed-up to the deal by Prime Minister Rishi Sunak when he was chancellor, in a move brokered by the Organisation for Economic Co-operation and Development (OECD) and heralded by the US.

Mr Sunak, announcing the deal in October 2021 when Ms Patel was home secretary, said it would lead to a "fairer tax system, where large global players pay their fair share wherever they do business".

Speaking to the Daily Telegraph, Ms Patel said: "It is not too late for the Chancellor to back business and end the current political obsession of regulation, high taxes and interference with business.

"The Chancellor must send a positive signal to business in the Budget which supports jobs and economic growth. Now is not the time for an increase in corporation tax.

"Just like the issue of the OECD agreement, everything needs to be paused for the benefit of businesses around the country," she added.

Mr Hunt is due to give his spring Budget on March 15 – a day being targeted by transport and civil service unions for strikes as part of long-running public sector rows over pay and working conditions.

The Chancellor is under pressure from the right of his party to slash taxes ahead of the next election in a bid to revive the UK's stalling economy, which only narrowly avoided falling into recession last year.

Former prime ministers Mr Johnson and Liz Truss are among those advocating for cuts.

The calls come despite the tax burden on the country – the ratio of taxes as a share of gross domestic product (GDP), a measure of the size of the economy – reaching their highest levels since the 1950s during Mr Johnson's time in Downing Street.

Ms Truss's attempts to fire up the economy – a £45 billion spree of unfunded tax cuts, announced by her chancellor Kwasi Kwarteng – sent the value of the pound tumbling and pushed up mortgage rates in the autumn.

The tax burden under Mr Sunak remains high following the aftermath of the fallout from Ms Truss's mini-budget.

Following Mr Hunt's autumn statement in November, the Office for Budget Responsibility said plans for almost £25 billion in tax increases and more than £30 billion in spending cuts by 2027-28 would see the tax burden peak at 37.5% in 2024/25 – its highest level since the end of the Second World War.

Earlier this week, Mr Hunt appeared to rule out changing course on taxes after being handed a surprise monthly surplus in January thanks in part to lower public borrowing than forecast.

The Office for National Statistics revealed that the Government reported a surplus – when tax revenue received is larger than government spending – of £5.4 billion last month, driven by record returns from self-assessed income tax.

However, Mr Hunt told reporters that the numbers were "not anything like as significant as people are talking about".

The UK Government has previously defended the planned corporation tax rise, saying it "will still be the lowest in the G7" even after April.