

Jeremy Hunt signals tax cuts in autumn statement as economy 'turns corner'

Jeremy Hunt has said there is the chance to lower taxes in the autumn statement next week, arguing the economy had "turned a corner".

Ahead of Wednesday's financial announcement, [the chancellor](#) said that as [inflation had halved over the year](#), "this is the moment" to focus on growth.

But he argued that there is a need to "reform our welfare system" and the "priority" is helping firms.

Mr Hunt is also considering slashing inheritance tax, which would be bound to draw criticism for supporting the wealthy while others struggle with the high cost of living.

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"The big message on [tax](#) cuts is there is a path to reducing the tax burden and a Conservative government will take that path," he told the Telegraph.

"It's not an easy path. There are difficult decisions you have to take to get there.

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"But we believe if we're going to grow the economy, this is going to be an autumn statement for growth, then we have to show the country there is a path to a lower tax economy."

Mr Hunt also said he was "personally uncomfortable" with the UK's tax burden, saying: "Taxes are too high and we need to bring that down."

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The Institute of Fiscal Studies (IFS) said in September that the tax burden is on course to rise from 33% of GDP in 2019 to 37% next year.

The group said it would mark the largest jump in the tax burden during a parliament outside of wartime.

Mr Hunt pointed to “the most dynamic, energetic, thriving economies” in North America and Asia “where they generally have lower tax burdens” as what he sees as the UK’s “benchmark”.

According to the Telegraph, Mr Hunt and [Rishi Sunak](#) could cut inheritance tax from 40% in the autumn statement.

HMRC says only 4% of estates paid inheritance tax in 2021.

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What's happening with inheritance tax?

Conservative former chancellor Lord Clarke said the move may please MPs on the Tory right who are clamouring for tax cuts as the party lags more than 20 points behind Labour in the polls, but others would find it "appalling".

Lord Clarke told Times Radio: "Well, it's not the tax cut I would choose. Indeed, I'm not sure he's got any room for tax cuts.

"And choosing inheritance tax at the present time might appeal to the Conservative right, but it leaves them open to the most appalling criticisms when inflation and the state of affairs is making poorer people in this country very vulnerable indeed, giving tax relief to those families that are lucky enough to have members of it with capital above the limit through inheritance tax and pay any significant amount of tax on the inheritance.

"And I'm not sure that the economic and financial state of the country justifies it."

Labour leader Sir Keir Starmer said he would wait to see what is in the autumn statement before commenting on any plan to cut inheritance tax, stressing that he wanted to see "a serious plan for growth".



Image:

Jeremy Hunt and Rishi Sunak could reportedly cut inheritance tax from 40%. Pic: No 10 Downing Street

When asked explicitly by the Telegraph if tax cuts will feature in his budget, Mr Hunt did not directly respond.

He said: “Without pre-empting the decisions that the prime minister and I make, this is an autumn statement for growth. It’s a turning point for the economy.”

On Friday, Mr Hunt said [the best way to reduce the “tax burden for everyone” is to grow the economy](#), touting manufacturing as part of the “next part of the economic plan”.

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Elsewhere in the Telegraph interview, Mr Hunt said he would stand as an MP at the next election, despite speculation that he could quit.

The Liberal Democrats are eyeing the Surrey seat he will contest.

“I’m aware that it’s the fight of my life, but I’m up for that fight and I’m very confident that I will be back in parliament after the next election,” he said.