Maitland Kabir

RECRUITMENT: TAX MARKET INSIGHT

[November 2026] Wealth Taxes - Fairer Taxation or an Economic Risk? by Hu Kabir

AT A GLANCE

Wealth taxation remains a contentious issue in the UK, balancing the potential to raise public revenue and address inequality against concerns about investment, business ownership, administration and taxpayer behaviour.

For private client tax practices, the debate highlights the importance of expertise across inheritance tax, capital gains tax, succession planning and international structuring. While changes in tax policy do not automatically translate into recruitment demand, they can influence the capabilities firms need to develop and retain.

The debate around wealth taxation in the UK is nothing new, but it is becoming increasingly difficult to ignore. With public finances under pressure and continued questions about how we fund public services, the idea of taxing accumulated wealth is once again attracting attention.

At first glance, the argument seems straightforward. Rather than increasing taxes on earnings or everyday spending, why not ask those with substantial assets to contribute more? Of course, as anyone working in private client tax will know, the reality is considerably more complicated.

Supporters argue that a wealth tax could raise revenue and address inequality. Critics question whether it would generate as much as anticipated, particularly given its potential impact on investment, business ownership and taxpayer behaviour.

For accountancy firms and private client advisers, the debate also raises questions about the expertise clients may need.

So, putting politics aside, would a wealth tax actually work?

What Do We Mean by a Wealth Tax?

A wealth tax is essentially a tax on what someone owns, rather than what they earn. Depending on its structure, this could include property, investments, savings and business interests, with certain liabilities deducted.

The UK already taxes wealth through Inheritance Tax, Capital Gains Tax and property-related taxes. What we don't currently have is a comprehensive annual tax on an individual's total net wealth.

Introducing one raises obvious questions. Who would pay it? Which assets would be included? How would they be valued? And how much revenue would it raise?

The Arguments for a Wealth Tax

Generating Revenue

The government faces considerable pressure to fund healthcare, infrastructure and public services. A wealth tax could provide additional revenue without increasing Income Tax, National Insurance or VAT. Whether it would raise meaningful sums would depend on rates, thresholds, exemptions and taxpayer behaviour.

Improving Tax Fairness

Income and wealth are very different things. Someone could own assets worth millions while receiving a modest annual income. Equally, someone earning a high salary may have comparatively little accumulated wealth.

Supporters argue that a tax system focused heavily on income and consumption doesn't always reflect these differences.

Broadening the Tax Base

The UK relies heavily on taxes linked to earnings, business activity and consumer spending. Taxing accumulated wealth could diversify government revenues, although fluctuating asset values could affect receipts.

The Arguments Against

Capital Mobility and Relocation

One concern is whether wealthy individuals would leave the UK.

High-net-worth individuals often have greater flexibility over where they live and invest. If a wealth tax made the UK less attractive, some could relocate, potentially reducing revenue from other taxes.

Of course, relocation decisions involve more than taxation alone. Nevertheless, it remains an important consideration for advisers working with internationally mobile clients.

Valuation Complexity

Cash and listed investments are relatively straightforward to value. Privately owned businesses, farmland and commercial property are considerably more complicated.

How would a substantial interest in a private business be valued annually? Would independent valuations be required? What happens if HMRC disagrees?

These challenges aren't insurmountable, but they could create additional costs for taxpayers, advisers and HMRC.

The Liquidity Problem

Having substantial wealth doesn't necessarily mean having substantial cash.

Consider an entrepreneur who owns a business valued at £10 million but reinvests most profits into growth. An annual wealth tax could create a liability without readily available funds to pay it.

Exemptions, deferrals or instalments could help, but each introduces further complexity.

Impact on Investment

Critics argue that taxing business ownership annually could discourage entrepreneurship or influence investment decisions.

Supporters counter that carefully designed thresholds and reliefs could protect productive businesses. Much would depend on the detail.

What Can We Learn from Other Countries?

France operated a broad wealth tax before replacing it in 2018 with a narrower tax focused on real estate. Concerns about investment, relocation and competitiveness formed part of the debate, although its precise economic impact remains contested.

Norway and Switzerland continue to operate annual net wealth taxes, demonstrating that such systems can function over the long term.

However, their approaches to thresholds, valuations and administration differ considerably.

The takeaway? There isn't one universally successful model. Much depends on how the policy is designed.

Would Reforming Existing Taxes Be More Practical?

One alternative is a one-off levy. The UK Wealth Tax Commission concluded in 2020 that a well-designed one-off wealth tax could be more practical than an annual system.

However, questions remain around valuations, payment arrangements and whether taxpayers would believe it would genuinely happen only once.

Another option is reforming existing taxes.

The UK already taxes property, capital gains and inheritance. Further changes could potentially achieve similar objectives without introducing an entirely new system.

Ultimately, the question is which approach would raise revenue most effectively while limiting costs and unintended consequences.

What Does This Mean for Private Client Recruitment?

Whatever direction future policy takes, the debate highlights the complex environment in which private client professionals operate.

High-net-worth individuals, business owners and internationally mobile families often need advice spanning succession planning, inheritance tax, international structuring and capital gains.

For accountancy firms, this raises an important question: do they have the right expertise to meet evolving client needs?

From a recruitment perspective, professionals who understand cross-border issues, business-owner tax planning and the interaction between personal and corporate structures are particularly relevant to firms developing their private client offering.

Changes in tax policy won't automatically create recruitment demand. Much depends on legislation, client requirements and individual firms' strategies.

However, they can influence the expertise firms need and, ultimately, the people they recruit.

Final Thoughts

There are reasonable arguments on both sides.

Supporters see opportunities to raise revenue and improve fairness. Critics highlight challenges around valuations, administration, investment and taxpayer behaviour.

Ultimately, the question isn't simply whether a wealth tax is fair, but whether it would actually work in practice.

ABOUT MAITLAND KABIR

Maitland Kabir is a UK search firm focused on senior appointments across the UK tax profession. Founded on a long-standing partnership and deep sector experience, the firm works directly with clients and candidates on senior, often discreet, searches across the tax market.

DISCUSS THE MARKET

If you would like to discuss this topic, a senior appointment or current market conditions, please contact Maitland Kabir.

www.maitlandkabir.com

IMPORTANT: This article is provided for general information and market insight only and does not constitute legal, tax, financial or professional advice. Information should be independently verified before being relied upon.