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Labour won't raise income tax or national insurance, Rachel Reeves promises

Shadow chancellor makes clearest commitment yet to leaving workers pay alone if they win general election

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Rachel Reeves has pledged not to raise income tax or national insurance if Labour wins the general election.

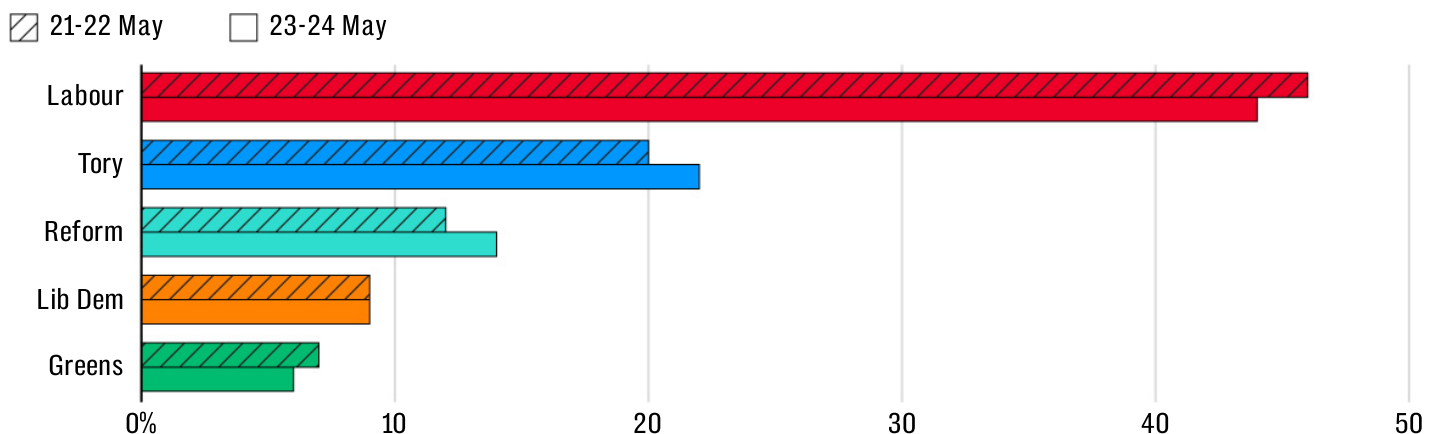
In her clearest commitment on the matter to date, the shadow chancellor categorically ruled out increasing either levy, as she insisted she wants the burden on working people to be “lower”.

Ms Reeves told the BBC’s Sunday With Laura Kuenssberg: “I want, and Keir wants, taxes on working people to be lower, and we certainly won’t be increasing income tax or national insurance if we win the election.”

Pressed on whether that should be taken as a clear commitment, she said: “We won’t increase income tax or national insurance. In fact, we opposed the increases to national insurance when Rishi Sunak put those forward as Chancellor. We would like taxes on working people to be lower.”

It will be seen as a significant line in the sand from Labour, who have so far kept their tax policy fairly vague - refusing to make any unfunded commitments.

Tories chip away at Labour’s lead



Setting out his core policies earlier this month, Sir Keir made his first key pledge to keep taxes “as low as possible”, without committing to specific cuts.

It is unclear what the pledge not to raise income tax means for Labour’s policy on freezing, or unfreezing, the current thresholds.

Ms Reeves has previously attacked the Tories over their decision to fix the existing boundaries in the face of rising inflation, described by some as a “stealth tax”, as people are

pushed into higher brackets.

But she has not committed to changing this, insisting it would be “irresponsible” to pledge tax cuts without pinpointing how they would be funded.

She has also promised not to raise corporation tax for the duration of the next Parliament and said she would overhaul the business rates system and review all tax reliefs.

Ms Reeves also insisted there is “not going to be a return to austerity” under Labour, as she was pressed to rule out public sector cuts.

She told the BBC: “There’s not going to be a return to austerity under a Labour government. We had austerity for five years and that is part of the reason why our economy and our public services are in a mess today.

“There is no spending review, the Government hasn’t done a spending review, so there’s no allocations for departments. I would have to do that if I became chancellor in a few weeks’ time and I’ll set out those plans.”

Pressed on whether she would rule out cuts in some areas of public spending, Ms Reeves repeated: “We’re not going to be bringing back austerity but we have got that immediate injection of cash into our frontline public services – that’s a down payment on the changes that we want to make.

“But in the end we have to grow the economy, we have to turnaround this dire economic performance.”

She insisted she does not want to make “any cuts to public spending”, which is why Labour have announced an “immediate injection of cash into public services”.

“So that money for our NHS, the additional police – 13,000 additional police and community officers – and the 6,500 additional teachers in our schools, they are all fully costed and fully funded promises because unless things are fully costed and fully funded, frankly, you can’t believe they’re going to happen,” she said.

The Tories have pledged to work towards scraping national insurance entirely, with further cuts likely to feature in the party’s election manifesto.

Chancellor Jeremy Hunt has already made two cuts to the levy, slashing it by 2p in the autumn, and a further 2p in the spring.

The Conservatives have said that their long-term aim is to eliminate what they called a “double tax on work” in the form of NI and income tax to bring more people into the labour market.

But Labour have claimed the “Liz Truss-style” plan will set the country back some £46 billion.

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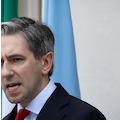
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