



## Inheritance and land

The fears of hardworking farming families about their liability to Inheritance Tax (IHT) are genuine. Farming is not an easy life and, if we want to maintain our food security in this era of climate change, the government must lend a hand. But what farming doesn't need are tax concessions or subsidies paid according to size of landholding - they just inflate agricultural land prices.

The IHT problem could be solved by another tax: Land Value Tax (LVT) on all land paid by owners. LVT reduces the price of land. The price of agricultural land is already low, because it does not generate a high return. LVT would take most farms out of the scope of IHT.

According to the Defra-commissioned Rock Review (2024), 64% of the total farmable area of England consists of wholly or partially tenanted holdings. Tenant farmers pay the equivalent of 100% LVT to the landlords. If tenants can afford LVT so can owners.

Lower land prices, however, would be a problem for farm owners as land is the prime collateral for bank loans. One thing the government could do then is to guarantee loans for purchase of agricultural equipment.

Labour Land Campaign Secretary Carol Wilcox says: "70% of British land is owned by just 1% of the population (with much of this bizarrely "owned" offshore). Over 60% of UK wealth is vested in land (Office of National Statistics). Inheritance Tax affects very few estates and raises a tiny amount for the Exchequer. Wealth inequality could be much better addressed by replacing all current property taxes - Council Tax, Business Rates, Stamp Duty Land Tax - with an annual Land Value Tax. This would increase the tax base and raise far more revenue."ENDS

***The Labour Land Campaign is a voluntary organisation working for land reform.  
It advocates a fairer distribution of land wealth through a Land Value Tax.***

For more information see [www.labourland.org](http://www.labourland.org)

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