



Inheritance Tax:

The Longest-Living “Temporary”
Tax in British History

If you've ever wondered how something that began as a tax on the rich ended up punishing ordinary families, you only need to look at the history of inheritance tax.

It's a story that starts with noble intentions – and ends, as so many government stories do, with broken promises and permanent policies that were never meant to last.

How It All Started

Inheritance Tax, or rather its first incarnation, was introduced back in 1894 under the Liberal Chancellor Sir William Harcourt. At the time, it was called Estate Duty.

The goal sounded reasonable enough: to make the wealthy landowners – the aristocrats, the dukes, and the old-money families who owned half of Britain – pay a little back to society when they passed on their vast estates.

Britain was still deeply class-divided. Enormous estates and country houses were being handed down through generations without the Treasury seeing a penny. So Estate Duty was marketed as a tax on privilege. A fair way, supposedly, to balance the scales.

And the public accepted it – because it didn't affect them. It was aimed squarely at the elite.

But here's where it all started to go wrong. Once the government discovered how easy it was to raise money from the dead, they realised they'd stumbled upon a goldmine.

Once a Government Gets Used to Tax, It Never Lets Go

There's a rule that's as reliable as sunrise: once a tax is introduced, it never truly disappears.



Governments fall in love with revenue. It becomes a habit – an addiction, even. Once they get used to that extra stream of money, they can't imagine life without it.

It's no different to human nature. Think about your own life: once you've grown accustomed to a certain lifestyle, it's hard to go back. You upgrade your car, your home, your holidays – and even if times get tough, you'll cut corners elsewhere before you give up the things you've become used to.

The government works the same way.

When Estate Duty started pouring in, it was supposed to be a small, temporary tax on the rich. But as revenue rolled in, the Treasury realised it was “nice to have.”

And like all “nice to haves,” it quietly became essential.



How It Evolved

From 1894 onwards, the tax took on new names and forms:

- **Estate Duty (1894–1949)** – the original version.
- **Legacy and Succession Duty** – a rebranding designed to capture more situations.
- **Capital Transfer Tax (CTT)** – introduced in 1975 by the Labour government to stop people giving away wealth before death.
- **Inheritance Tax (IHT)** – reintroduced by Margaret Thatcher’s government in 1986, replacing CTT but keeping its spirit alive.

So despite all the political noise about fairness and reform, the tax itself never really went away. It just changed clothes.

Each generation of politicians claimed to simplify it, modernise it, or make it “fairer.” But the end result was always the same – more people paying more tax.



From Landed Gentry to Everyday Families

Originally, inheritance tax targeted the top 1% – the people with country manors, farmlands, and inherited fortunes. But times changed.



In the post-war years, Britain saw rising property prices, growing middle-class wealth, and the creation of occupational pensions. Home ownership became common, not exclusive.

By the late 20th century, ordinary families who had worked hard, saved diligently, and paid their taxes were now sitting on estates worth more than £1 million – not because they were “rich,” but because the pound had devalued and property had inflated.

And that’s when the government quietly shifted the goalposts.

Instead of adjusting the IHT threshold with inflation, they left it frozen.

Today, the nil-rate band – £325,000 – hasn’t moved since 2009. That’s sixteen years of property price growth completely ignored. And although married couples get an additional allowance for their home, it’s still easy to breach the threshold in parts of the South East or London.

So what began as a tax on the wealthy has become a tax on anyone who dared to work hard, save money, and buy a home.





One of the Highest in the World

Let's put it in perspective.

The UK charges a flat 40% inheritance tax – one of the highest in the world.

By contrast:

- **Australia** abolished inheritance tax completely in 1979.
- **New Zealand** followed suit in 1992.
- **India, China, and Canada** all charge **0%**.
- Even **Italy**, not known for low taxes, charges around **6%**.

So when politicians talk about Britain being a “competitive” nation, they conveniently ignore that we're still one of the few countries that taxes death itself so heavily.

And remember: this is money that's already been taxed.



You've paid income tax when you earned it.

Capital gains tax when you invested it.

VAT when you spent it.

And then – finally – inheritance tax when you die.

It's a tax on top of tax, wrapped in a bow of bureaucracy.

Why It Stayed

The real reason inheritance tax has survived so long isn't fairness or necessity – it's comfort.

Once the Treasury became dependent on it, there was no going back. It's the same principle as lifestyle inflation. Once you start living on a higher income, you start spending more. You get used to it.

And that's exactly what's happened to government spending.

They've built budgets, benefits, and services on the assumption that the IHT billions will keep flowing in. And now, even if it's morally indefensible, it's financially addictive.



The government can't imagine life without it – and it doesn't want to.

The System Is Designed to Make You Fail



In theory, inheritance tax can be reduced – or even avoided – with good planning. But the truth is, the system is deliberately complex.

The rules around gifts, trusts, exemptions, and reliefs are a minefield. Even the smartest accountants can get lost in the small print.

As I explain to clients, this isn't by accident.

The system is designed so that most people don't act in time, don't understand the loopholes, and don't get the right advice.

The result? Families lose tens or even hundreds of thousands of pounds unnecessarily – not because they've done anything wrong, but because they trusted the system and didn't realise what was possible.



Broken Promises — Again

And now, as if 40% wasn't enough, the government is preparing to drag pensions into the same net.

From April 2027, pensions — once explicitly promised to be outside inheritance tax — will be included as part of the taxable estate.

We were told pensions were safe.
We were told to invest for the future.
We were told our loved ones would inherit them tax-free.

Now that promise is being quietly torn up.

It's the same pattern all over again: a temporary “policy adjustment” that becomes a permanent tax. A change dressed up as fairness that ends up punishing prudence.



A Moral Question, Not Just a Financial One

At its core, this isn't just about money – it's about morality.

If you work hard, save diligently, and pay your dues, shouldn't you be able to decide what happens to your money when you die?

Shouldn't your family – not the Treasury – be the ones to benefit from your sacrifice?

Most people aren't trying to dodge tax. They're trying to protect their families. And yet, the government treats that instinct as something suspicious – as if wanting to pass on your home and pension makes you greedy.

But it's not greed. It's love.

It's the desire to give your children a better start than you had. It's the most natural, human motivation there is.

And that's why inheritance tax – in its modern form – feels like such a betrayal.

How Ordinary People Get Caught

I often meet couples who've done everything right in life. They've paid every bill, followed every rule, never lived beyond their means. They own a home worth £800,000, have a pension worth £400,000, and maybe some savings or an ISA.

They're not wealthy by any stretch – just careful.

Yet if both partners die tomorrow, their estate could face a £200,000+ tax bill.

That's £200,000 the children will never see. Money that's already been earned, saved, and taxed – now disappearing into the black hole of government spending.

And that's before the 2027 pension changes even arrive.



A Government Addicted to Income

It's easy to see how we got here.

Over time, governments built entire spending programmes on the assumption that IHT revenue would keep growing. And because property values have surged, the tax has become more profitable than ever.

Between 2010 and 2024, IHT receipts more than doubled – from around £2.5 billion a year to nearly £7 billion.

That's why, despite endless promises to “review” or “simplify” it, no government ever really changes it. They might raise thresholds slightly or tinker with allowances, but the 40% stays. The dependency is too strong.

It's like a person who keeps saying they'll go on a diet – but can't resist another slice of cake.

When I talk to families about inheritance tax, it's not just numbers that upset them – it's the sense of injustice.

They say things like:

“We've already paid tax on this once.”

“We did what the government told us to do.”

“We just wanted to look after our kids.”

And I understand that feeling completely.

This isn't about people wanting something for nothing. It's about people wanting to keep what's theirs – what they've worked for, saved for, and already paid for.

When governments treat that as selfishness, they miss the point entirely.

Why I Created These Videos

That's exactly why I decided to create this series of videos on inheritance tax.

Because I've seen too many good families fall into the same traps – relying on their accountant or financial adviser (who may be brilliant in their field, but not specialists in IHT).



The Emotional Side

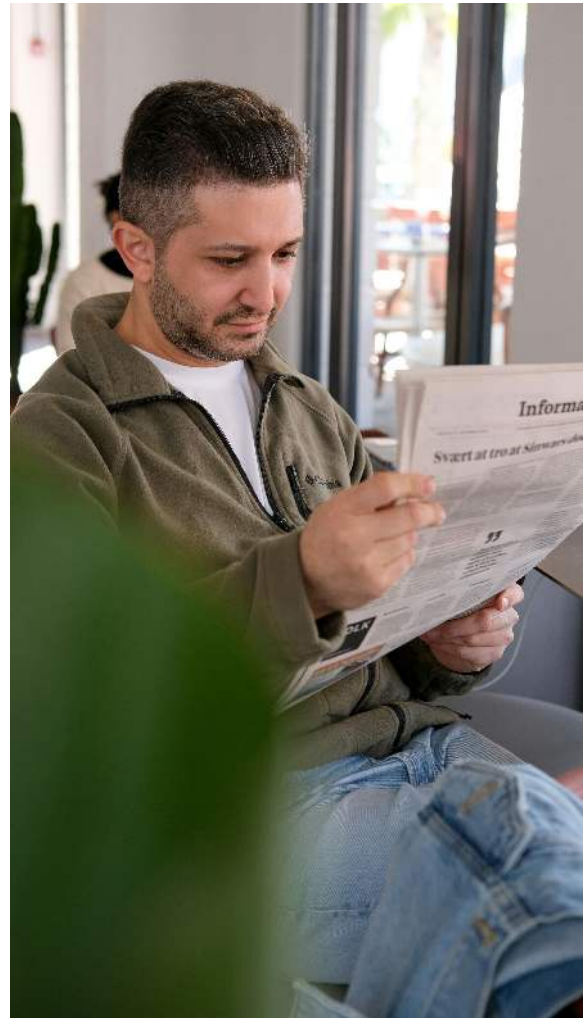
I wanted to help people understand the system, see where the dangers lie, and learn that you can fight back legally and intelligently.

This isn't about dodging tax – it's about defending what's rightfully yours.

Real savings require real strategy. You can't learn it all from a few free clips on YouTube. But you can learn enough to know when it's time to act.

The Bigger Picture

The inheritance tax story is just one chapter in a much wider book – the slow erosion of financial freedom in Britain.



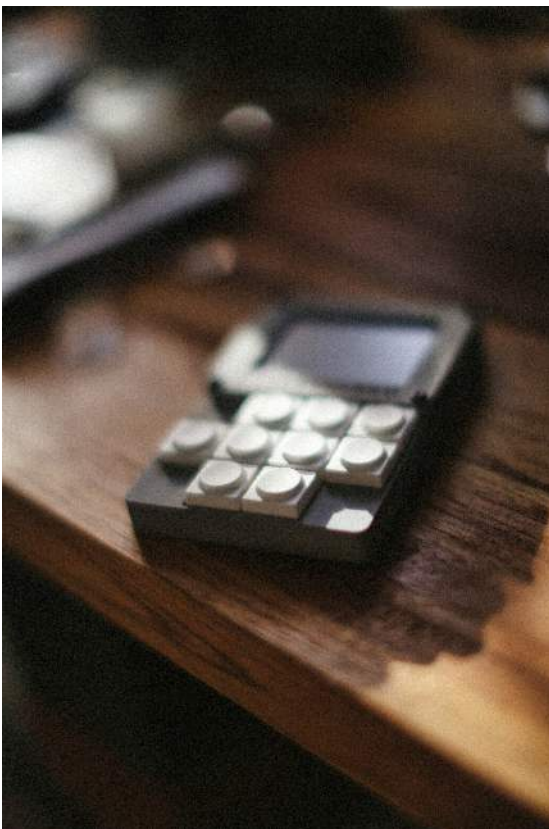
After Covid, we've seen governments become bolder with control. They've introduced speech restrictions under the guise of "safety". They've advanced digital IDs and digital currency systems that could one day track every transaction. And they've made cash – one of the last tools of privacy – increasingly inconvenient to use.

In that world, inheritance tax is just another lever of control.

When the state can decide how much of your life's savings your children get, you no longer own your future — you're merely renting it.

Conclusion: The War Against Over-Taxation

I'm not suggesting rebellion or anything unlawful. But I do believe it's our moral duty to stand up to what's wrong — and inheritance tax, in its current form, is wrong.



It punishes prudence.

It targets families instead of fixing government waste.

It discourages saving and rewards spending.

It began in 1894 as a tax on privilege — and ended up as a tax on responsibility.

And like so many government “temporary” measures, it has outlived its purpose, its morality, and its fairness.

If history teaches us anything, it's this: once the government gets used to your money, it never gives it back.

And if we don't start planning smarter — using trusts, exemptions, reliefs, and the legal strategies still available — it won't just be the wealthy losing out. It'll be every family who believed the system was fair.

That's why I do what I do — and why this conversation matters now more than ever.



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