Gordon Brown's decade at the Treasury

EIIR CHANCELLOR OF THE EXCHEQUER

Over the past decade tax revenues have risen by £125bn, or nearly 50%, the highest rise among the Group of Seven nations. Critics accuse the Chancellor of failing to improve public services while house prices have trebled, debt has soared, and 3.4 million children still live in poverty

■ **1998, Pensions:** Brown abolishes ***advance corporation tax relief*** and imposes 10% tax on dividends earned by pension funds. **Impact triggers failure of final salary pensions – at least 85,000 workers lose some or all of their pensions.** Graduated stamp duty introduced as well as windfall tax on privatised utilities

■ **1998, Splash the cash:** Brown announces massive increase in health and education spending over next three years – up £21bn and £19bn. Economists claim figures distorted by double- and triple-counting. **Actual figures found to be £10.3bn and £9.7bn**

■ **1999:** Mortgage interest relief abolished, married couples' allowance abolished. Stamp duty raised

■ **2000:** Stamp duty increased to 3% for homes costing over £250,000, 4% for homes over £500,000 – double what it was in 1997. **State pensions increased by 1.1% – just 75p/week**

■ **2001:** Education and NHS get extra £1bn in pre-election budget

■ **2002:** Introduction of zero-rate corporation tax for companies with taxable profits below £10,000. Tax break results in thousands of new small firms, but in U-turn, Brown scraps zero-rate and replaces it with 19% tax rate. National Insurance raised to fund increased health spending

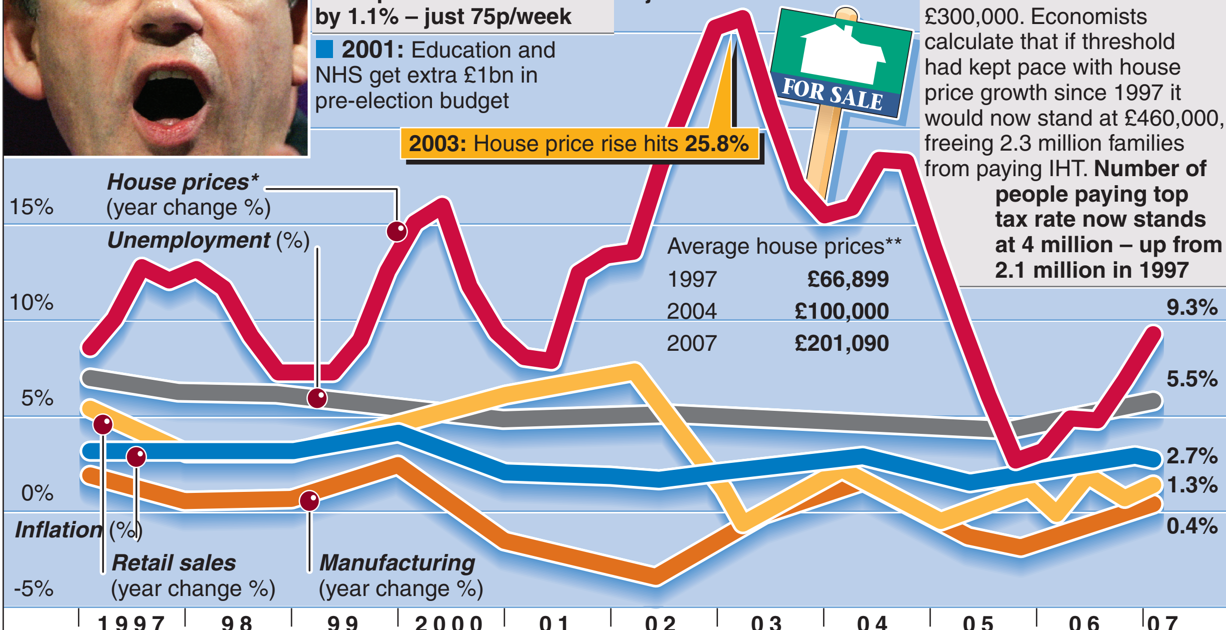
■ **2003:** Slowdown in UK economy forces Brown to borrow £30bn over five years

■ **2004:** Property taxes contribute record 12% of government revenues – highest for any developed country. **Euro-zone average is just 1.9%**

■ **2005:** Brown performs U-turn on promise to allow tax relief on residential property placed into ***Self-Invested Personal Pensions (SIPPs)*** after purchase of thousands of buy-to-let properties. Inheritance tax (IHT) threshold increased from £263,000 to £275,000

■ **2006:** Punitive 80% tax rate on inherited ***Alternatively Secured Pensions (ASP)*** funds introduced to stop potential tax dodge. £30bn in government assets sold off. **Household debt hits 160% of disposable income, up from 100% in 1997**

■ **2007:** IHT increased to £300,000. Economists calculate that if threshold had kept pace with house price growth since 1997 it would now stand at £460,000, freeing 2.3 million families from paying IHT. **Number of people paying top tax rate now stands at 4 million – up from 2.1 million in 1997**



Sources: Nationwide*, Halifax**, Office for National Statistics, National Association of Pension Funds Picture: Associated Press