



Rt Hon Rachel Reeves
Chancellor of the Exchequer
By Email

5 December 2024

Dear Rachel,

A few weeks ago, I wrote to you to share concerns raised by farmers in my constituency of North Herefordshire regarding the proposed changes to inheritance tax and their potential impact on family farming in the UK.

In that letter, I expressed concern about the stark disparity between the figures provided by the Treasury and those from the National Farmers' Union and urged you to commission an independent impact assessment to clarify how these changes will affect different groups.

I write today to ask you to consider three potential ways forward that could help address concerns about the impact of IHT on farming, while still addressing fairness, namely:

1. A time limited concession for farmers over 75 years old, exempting them from the 7-year taper rule on gifts to descendants.
2. Changes to the thresholds and rates, which could enable the Treasury to target the measure better to deter the use of land as a tax loophole while simultaneously safeguarding small and medium-sized family farms.
3. A full IHT exemption for all land within Environmental Land Management schemes (ELMs) or other agri-environment schemes, as long as the land is in the scheme/s at the time of death and remains in scheme for 10 years afterwards.

These potential options have been suggested to me as adjustments that could be made to the IHT policy that could potentially address some of the key concerns highlighted by farmers and support a thriving future for UK farming, while at the same time ensuring that the use of land as a tax loophole is stopped.

I hope the Treasury will carefully consider these ideas, and I look forward to your response.

With best wishes,

Ellie Chowns MP, North Herefordshire.