

# [A share buyback tax to boost growth and fund public services](#)

**Liberal Democrats are calling for a bold share buyback tax that would incentivise productive business investment, support the transition to net-zero and help raise vital funds for our public services.**

Liberal Democrats have reiterated our call for a 4% share buyback tax, paid by the 100 biggest corporations on the stock exchange, similar to the buyback tax introduced in the United States by President Biden.

## **What could it pay for?**

The move could raise around £1.4 billion a year, more than enough to pay for extending Free School Meals to an additional 900,000 children growing up in poverty. A fair tax to correct a huge injustice and offer help with the cost-of-living crisis.

## **How do share buybacks work?**

Share buybacks occur when large corporations use their profits to inflate their own share price in the stock market. They are a controversial practice that economists criticise for coming at the expense of productive investment in the economy.

## **Why is taxing buybacks the right thing?**

Most share buybacks are by oil and gas giants, big banks and multinational conglomerates that own a number of food and consumer goods brands. In other words, buybacks are being driven by the corporations who are profiting most from soaring prices during the cost-of-living crisis.

These companies have been making huge, unexpected profits, and they're spending vast sums on buying back their own shares. Buybacks totalled £52 billion last year, and companies announced another £27 billion in the first three months of this year alone.

## **Why is a buyback tax good for the economy?**

Instead of reinvesting their profits in skills, equipment or clean technology, many big corporations are just buying back shares to inflate their own share price. That's holding back the economic growth we need to create jobs and raise living standards.

Our share buyback tax would incentivise companies to change their behaviour and invest more of their money in the things that grow our economy and help tackle the climate emergency. More investment will also strengthen the public finances, helping to bring down the national debt.

In 2023, BP spent five times more money on share buybacks than on low-carbon energy. That's simply not right.

### **Why could this raise £1.4 billion?**

Based on current buyback levels, a 4% tax would raise around £2.2bn a year. We have taken a cautious approach to account for potential changes in company behaviour, estimating it would raise around £1.4bn a year.

### **Who else agrees with us?**

**President Biden:** He introduced a similar buyback tax that has already raised around \$8 billion in the US and is expected to raise \$74bn over 10 years. He said the tax would “encourage corporations to invest in productivity and the broader economy rather than windfalls for investors.”

**Independent experts:** The respected [IPPR](#) think tank has also called for a share buyback tax in the UK, saying it would help raise tax revenue and encourage productive investment.

### **What if companies stop doing buybacks completely and pay dividends instead?**

A 4% tax is not nearly high enough to make companies replace all their buybacks with dividends. The higher a tax is the more it changes behaviour, and 4% is a low rate.

Buybacks and dividends are not the same – they serve very different purposes. Buybacks are a way of keeping profits inside a company. They have a much more direct effect on raising share prices. And unlike dividends, they give existing shareholders a bigger stake in the company.

Companies may reduce buybacks in response to our tax, but our cautious estimate of what it will raise takes that into account.

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## **[Our plan to recruit 8,000 more GPs](#)**

Last year there were 61 million GP appointments delayed for over two weeks or more.

The Conservative government has failed our NHS and patients are paying the price.

The Liberal Democrats have a five-year plan to give patients a legal right to a GP appointment within a week, or 24 hours if urgent.



## **Ed Davey said:**

“Patients are bearing the brunt of this failure with millions forced to wait in pain for weeks just to get a GP appointment. It is an unacceptable situation and one that is only getting worse after years of Conservative chaos and neglect.

“The Liberal Democrats would give people a legal right to see a GP in a week or 24 hours if in urgent need, so people aren’t ever left struggling to get an appointment. This is at the heart of our offer to voters at this election and our plan to fix the health and care crisis.”

## **What is the Liberal Democrats plan to fix the GP crisis?**

The Liberal Democrat’s 5-year plan gives patients the legal right to see a GP within a week or 24 hours if needed urgently, this will be achieved by implementing a universal 24/7 GP booking system.

The plan will also free up GP appointment time by giving more prescribing rights and public health advisory services to qualified pharmacists, nurse practitioners and paramedics.

The number of GPs available will be increased to 8,000, half by boosting recruitment, including more opportunities for junior doctors and increasing

training facilities.

The other half will be from incentivising more experienced GPs and nurses who've left the NHS to return.

This Conservative government has decimated local health services and brought the NHS to its knees. It's time for change. Back our GP Guarantee today.

### **A GP guarantee**

Back our plan make sure people can see their GP within a week, or within 24 hours if in urgent need.

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## [Say You're With Us](#)

The Liberal Democrats are fighting for real change this election.

Under the Conservatives, people are struggling more than ever before.

Vote Liberal Democrat on 4th July to get the Conservatives out and elect a local champion who will fight for a fair deal for your community.

**The Liberal Democrats are standing up for our NHS, addressing the cost of living crisis, and ensuring everyone gets the support they need.**

Say YOU are with us.

[LibDems.org.uk/vote-pledge](https://libdems.org.uk/vote-pledge)

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## **£9bn mortgage bombshell this year with commuter belt areas hardest hit**

**Families who remortgaged in 2023 are facing a mortgage bombshell of almost £9bn this year. Commuter belt areas in the Blue Wall are the hardest hit, new analysis commissioned by the Liberal Democrats has revealed.**

[The research](#) was produced by the House of Commons Library, using figures from the Office of National Statistics to work out total mortgage costs by local authority. The figures include households on variable rates, not just those on fixed rates that expired.

**It shows over 3.5 million households in England and Wales remortgaged their homes last year, causing a combined £8.8 billion in additional mortgage payments a year as a result.**

The Liberal Democrats said it shows Rishi Sunak's boasts on inflation would "ring hollow" for families facing eye-watering increases in their monthly mortgage payments.

Commuter areas in the Blue Wall, in London and the South East are among the worst affected by soaring mortgage costs. Buckinghamshire faces the largest total hit with a staggering £146 million in extra mortgage payments spread across 38,117 households. This was followed by the London boroughs of Wandsworth (£132m), Barnet (£115m) and Bromley (£102m).

Wokingham had the highest proportion of households who remortgaged last year, with one in five (19.7%) impacted. This will lead to a combined mortgage hit of £38 million for 13,626 households in the area. Dominic Raab's backyard of Elmbridge was also among the worst hit proportionally, with 18.5% of households impacted leading to £56 million in additional mortgage costs.

Households in Jeremy Hunt's Surrey Local Authority area of Waverley are facing £34 million in extra mortgage costs after 8,706 remortgaged last year.

**Liberal Democrat Treasury Spokesperson Sarah Olney MP said:**

"Rishi Sunak's boasts will ring hollow for the thousands of families seeing their mortgage go up by eye-watering amounts.

“This Conservative government crashed the economy and now they are condemning families to a £9 billion mortgage bombshell.

“Across the Blue Wall, former Conservatives fed up with being taken for granted are switching to the Liberal Democrats.”

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## [It's Time](#)

Time to elect fantastic Liberal Democrat MPs to champion their communities.

Time to change the system and give people real hope.

Time to smash the blue wall and kick out the Conservatives.

Time to deliver the fair deal the British people deserve.

[Learn more about the Liberal Democrat plan for a Fair Deal.](#)

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