# Chancellor Jeremy Hunt warns of potential VAT increases under Labour government



Chancellor Jeremy Hunt has issued a strong warning against a potential Labour government, predicting significant VAT increases that could adversely affect household finances. This statement comes after Labour, led by Sir Keir Starmer, made a late-night pledge not to raise VAT, under intense pressure from the Tories.

Labour had previously not ruled out increasing VAT, and Hunt emphasized that this indecision demonstrates the party’s lack of a clear economic plan. The Chancellor criticized Labour for what he described as “flip-flopping” on crucial financial policies and warned that their additional spending plans could mean higher taxes for an average family.

Tory analysis suggested Labour’s economic proposals face a substantial £38.5 billion deficit, translating to potential tax increases of £2,094 for every working household. Labour countered by asserting that their spending plans, including measures to close tax loopholes and taxing private school fees and energy profits, are fully funded.

Despite these assurances, the Tories claim a VAT rise could be imminent under Labour to fill the budgetary gap. In contrast, Hunt pledged that a Conservative government would not raise the main rates of VAT, income tax, or national insurance and would seek further cuts to national insurance when feasible.

The debate over potential tax increases has become a focal point as both parties prepare for the upcoming general election, with significant ramifications for voters' wallets and the broader economy.