



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

4 July 2019

Kathryn Cearns and Bill Dodwell  
Office of Tax Simplification  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Kathryn and Bill

OFFICE OF TAX SIMPLIFICATION REPORT ON INHERITANCE TAX

I am writing to thank you for the Office of Tax Simplification's (OTS) report on the design of inheritance tax. This is the second report in the wider review into the tax that I commissioned in January 2018. As per section 186 of the Finance Act 2016, I have laid a copy of the report before Parliament today.

I am grateful to the OTS for your continued work as an independent, advisory body to provide suggestions on ways to simplify the tax system. The remit of this report was to identify opportunities for simplification for both Government and the taxpayer, including the rules on gifting and the interaction between inheritance tax and other taxes on wealth and assets. The Government will consider the recommendations made in the report and will respond in due course. Any changes to inheritance tax and the wider tax system are the prerogative of the Government and of Parliament.

Thank you again for your work and that of your team in this area. I hope the OTS will continue to contribute to the Government's thinking on how to create a simpler tax system which benefits taxpayers and the UK as a whole.

A copy of this letter has been placed in the library of the House.

A handwritten signature in blue ink, appearing to read 'Philip Hammond'.

PHILIP HAMMOND