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FIRM NEWS

Law.com and Charlotte Sallabank Discuss Tax Implications for UK LLP Partners Under Reeves' Proposal

November 19, 2025

Tax Partner Charlotte Sallabank spoke with *Law.com* regarding Labour Chancellor Rachel Reeves' reported consideration of tax reforms that would impose employer NIC charges on UK LLP partners' (e.g., law firm and accounting firm partners') profit shares, potentially reshaping pay, firm structures and profitability across the professional services sector. The controversial reform would only apply to UK LLPs and not US LLPs. Regulatory hurdles aside, Charlotte notes that the different tax positions also pose a challenge. She stated, "The disadvantages of receiving a profit share from a US LLP are that you then have to pay US tax, you get a credit for it in the UK, but it can be quite a big cash flow hit. It's a faff as you have to file a US tax return as well, and it's expensive."

"Lawyers Warn of 'Extraordinary Own Goal' as Reeves Considers Targeting UK LLPs," *Law.com International*, November 12, 2025

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Charlotte Sallabank
+44 (0) 20 7776 7630
charlotte.sallabank@katten.co.uk

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