

Government Chief Whip 12 Downing Street, London SW1

25 June 1979

The Prime Minister had a discussion on the telephone with the Chief Whip on 24 June when they discussed, inter alia, the Inland Revenue ruling that all Ministers are deemed to reside in London and therefore are unable to off-set the cost of living in London against tax.

The Prime Minister asked whether the Chief Whip would arrange with the Chancellor for a realistic look to be taken at this ruling in the light of present circumstances with a view to establishing whether it can be changed. As I understand it, the Prime Minister had in mind considering change only in respect of Junior Ministers, but it may be that it would be difficult to differentiate between Junior Ministers and others.

The Chief Whip would be most grateful if arrangements could be made to have this ruling looked at as a matter of urgency.

I am sending a copy of this letter to Nick Sanders (No.10), John Chilcot (Home Office) and John Stevens (Leader of the House's Office).

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