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From the Private Secretary

6 March 1989

TAX RELIEF FOR RELOCATION

Thank you for your letter of 3 March setting out more of the details on these proposals. As I mentioned to you when we spoke early this morning, the Prime Minister continues to have major reservations about the proposal to remove the concession giving tax relief from employers' contributions to employees' additional ongoing housing costs where an employee is compulsorily moved by his employer to a more expensive area. You told me later this morning that the Chancellor had now decided to drop the idea for this year's Budget.

PAUL GRAY

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H.M. Treasury.