

10.2

Costs of tax relief

Total amounts, by category of relief. Restricted to those reliefs for which accurate figures can be given.

Amounts: £ million

Year	Reliefs for Charities					Reliefs for individuals				
	Tax Repayments ³	National non-domestic rates	VAT	Stamp Duty Land Tax	Total ^{1,2,3}	Inheritance Tax	Payroll Giving ⁴	Gifts of shares and property ⁵	Higher rate relief on Gift Aid and covenants ⁶	Total ¹
1990-91	474	..	..	..	..	..	2	0	20	..
1991-92	559	..	..	..	..	..	3	0	20	..
1992-93	578	..	..	..	..	..	4	0	20	..
1993-94	612	470	200	..	1,280	190	4	0	30	220
1994-95	674	500	200	..	1,370	210	4	0	30	240
1995-96	738	540	200	..	1,480	250	5	0	30	290
1996-97	755	580	200	..	1,540	280	5	0	60	350
1997-98	732	590	150	..	1,470	250	7	0	90	350
1998-99	819	610	150	..	1,580	310	7	0	100	420
1999-00	821	630	150	..	1,600	310	9	0	100	420
2000-01	649	660	150	..	1,460	370	15	65	140	590
2001-02	627	710	150	..	1,490	390	18	50	150	610
2002-03	643	740	200	..	1,580	330	20	30	140	520
2003-04	674	760 ⁸	200	40	1,670	340	20	80	150	590
2004-05	661	800	200	60	1,720	440	20	70	180	710
2005-06	779	870	200	120	1,970	420	20	100	190	730
2006-07	859	930	200	120	2,110	410	20	60	240	730
2007-08	918	960	200	140	2,220	400 ⁷	30	70	280	780 ⁷
2008-09	967 ⁹	1,040	200	190	2,400	345 ⁷	30	40	300	720 ⁷
2009-10	1,026 ⁹	1,140	200	110	2,480	400 ⁷	30	70 ⁷	330 ⁸	830 ^{7,8}
2010-11 ⁹	1,101 ⁹	1,220	200	120 ^{7,8}	2,640 ^{7,8}	435 ^{7,8}	30 ⁸	60 ^{8,10}	350 ^{8,10}	880 ^{7,8}
2011-12	1,130 ^{8,9}	1,290 ⁸	200 ⁸	110 ⁸	2,730 ⁸	445 ⁸	30 ⁸	60 ^{8,10}	360 ^{8,10}	900 ⁸

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¹ Components do not sum to totals because of rounding (see "Notes on the Tables" no. 5).

² This table does not include tax relief given to charities and corporate donors under sections 339 and 505 Income and Corporation Taxes Act 1988 or section 256 Taxation of Chargeable Gains Act 1992.

³ Following the Budget of 2000 corporate donations are paid gross and do not give rise to tax repayments to the charity. Figures for 2000/01 onwards are therefore not directly comparable with data for earlier years. See Table 10.3 for estimates of tax repayments on corporate donations prior to that date.

⁴ Excludes the 10% payroll giving supplement which is included under tax repayments.

⁵ Relief commenced in the Budget of 2000. Corporate donations of shares and property are excluded because of lack of data.

⁶ Figures for the early years are particularly tentative.

⁷ Revised.

⁸ Provisional.

⁹ Budget 2007 announced a two per cent reduction in the basic rate of income tax from 22 per cent to 20 per cent to take effect from April 2008.

As the Gift Aid scheme allows charities to reclaim the basic rate of tax on qualifying donations this change reduced the repayment income received by charities. To compensate for this the Government announced at Budget 2008 a transitional rate for charities using the Gift Aid scheme to allow charities time to adjust to the new basic rate. This figure includes the transitional relief.

¹⁰ These provisional figures will be subject to revision when it becomes possible to account accurately for the introduction of the Additional Rate in 2010/11.



Notes on the Tables

1. The above table used to show details of covenants to charities. Since the Budget of 2000 covenants have been re-classified as Gift Aid and hence figures on donations are now included in table 10.3.

2. This table now shows all figures relating to reliefs given to charities and those to taxpayers where data is of sufficient quality to enable accurate costs to be ascertained. The estimates for non-domestic rates relief cover mandatory and discretionary relief used by charities and are based on returns from local authorities. The figures on relief from VAT are the cost of zero rating of supplies to charities. The VAT figures are tentative and subject to a wide margin of error. The Stamp Duty Land Tax (SDLT) figures represent relief from land purchases by charities and come from a new data source which became available when SDLT replaced stamp duty. Relief to charities on Stamp Duty Reserve Tax, chargeable on transactions in securities, is not included.

3. Figures include relief for gifts of shares (from 2000-01) and property (from 2002-03) derived from self-assessment returns. Forecasts have been made for 2008-09 and 2009-10 for both shares and property.

4. Figures for the two most recent years of the table are provisional and therefore subject to revision in future versions of this table. When revisions are made to earlier figures, this is indicated using the appropriate footnote.

5. Different columns are rounded to different levels reflecting the accuracy of the figures.

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