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# Income Tax Receipts Statistics

**Income tax receipts,  
repayments and tax credits.**



# Income Tax Receipts Statistics

September 2011

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## **About These Statistics**

This is a National Statistics publication produced by HM Revenue and Customs using receipts information from HMRC's administrative systems. For more information on National Statistics and governance of statistics produced by public bodies please see the UK Statistics Authority website: <http://www.statisticsauthority.gov.uk/>.

The tables in this publication show aggregated income tax receipts, repayments and tax credits figures on an annual basis.

## **New or Updated Statistics in this Release**

These statistics were published on 30 September 2011. Figures for 2010-11 were first published in April 2011 on a provisional basis. Final figures for 2010-11 are now available. Final figures are consistent with the HMRC Trust Statement<sup>1</sup>. The next release of income tax receipts statistics will be in spring/summer 2012 (timing to be confirmed).

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<sup>1</sup> <http://www.hmrc.gov.uk/about/annual-report-accounts-1011.pdf>

# 1. Introduction

## 1.1 What is income tax?

Income tax is a tax on an individual's income over the course of a tax year (6th April to the 5th April the following year). Nearly all individuals resident in the UK are liable for income tax. It is the UK Government's largest single source of tax revenue.

The amount of income tax an individual should pay, their tax liability, is determined by a number of factors; their level of income, the type of income and the level of allowance to which they are entitled.

Most sources of income are liable for income tax and adding all these sources together for an individual will give their total income assessable for tax for the tax year. There are some sources of income that are not liable for tax and will not contribute towards an individual's taxable income. These sources include some social security benefits and income from some tax efficient savings vehicles (e.g. Individual Savings Accounts and some National Savings & Investment products). Tax reliefs are available for contributions to pension schemes and donations to charities.

Taxpayers receive an allowance for an amount of income they can receive without tax being charged on it, although from 2010-11 this is reduced or fully withdrawn for taxpayers with high incomes. This allowance is dependent on the individual's age and income. Individuals aged 65 – 74, and 75 and over receive higher allowances than those aged under 65, although this is reduced by £1 for every £2 above the income limit (£22,900 for 2010-11) (but as a general rule not below the amount of the personal allowance for someone aged under 65). All individuals, regardless of their age, with an income above £100,000 have their allowance reduced by £1 for every £2 of the excess until it is withdrawn completely. People who are registered as blind in England and Wales, or who in Scotland and Northern Ireland cannot do any work for which eyesight is essential, can claim blind person's allowance.

The rate of tax charged on a given £1 of income depends on the source of that income and the individual's total income for the tax year. There are three different sources of income for tax purposes:

- All income other than savings and dividends. This is often referred to as 'earned income' and it includes pay from employment but also profits from self-employment, pensions, taxable benefits and income from property
- Savings income (e.g. bank and building society interest)
- Dividends

The general rule is that income is taxable at one of the main rates of income tax (see table 1 for rates in 2010-11 and thresholds). There are alternative rates of tax for dividends that would otherwise be taxable at one of the main rates. Income tax works on a stack basis, earnings income is taxed first, then savings income is taxed, and then dividend income is taxed.

**Table 1: Income tax rates 2010-11 by type of income and tax band**

Source	Starting rate for savings <sup>1</sup>	Basic rate	Higher rate	Additional rate
Taxable income after allowance	£0 - £2,440	£0 - £37,400	£37,401 - £150,000	More than £150,000
Earnings <sup>2</sup>	-	20%	40%	50%
Savings	10%	20%	40%	50%
Dividends <sup>3</sup>	-	10%	32.5%	42.5%

<sup>1</sup> The starting rate for savings is a special rate of tax for savings income only. It is only available to the extent that the individual's taxable income from earnings does not exceed the starting rate limit.

<sup>2</sup> Includes all taxable income not defined as savings or dividend income.

<sup>3</sup> Dividends are paid with a non-reclaimable 10 per cent tax credit that satisfies the tax liability for dividends taxable at the basic rate.

For more information about the income tax liability of an individual see the income tax liabilities statistics bulletin<sup>2</sup>. Further information is also available on the HMRC website<sup>3</sup>.

Income tax is collected by HM Revenue and Customs (HMRC). The way in which income tax is collected is dependent on the type of the income an individual has and the total income of that taxpayer.

For most individual taxpayers, income tax on employment income or occupational pensions is collected through Pay As You Earn (PAYE) where income tax is calculated and deducted from the taxpayer's pay or pension before being paid over directly to HMRC by the employer or pension provider. Tax on savings income is usually deducted at source by banks or building societies at the basic rate, with additional income tax due for higher and additional rate taxpayers being collected either through PAYE (via a change in tax code) or through Self Assessment. Taxpayers with high levels of income, the self-employed and others with income outside the scope of PAYE are required to pay any additional tax due through Self Assessment (SA). Further information about the types of income tax received by HMRC is provided in section 2 of this publication.

A repayment occurs when a taxpayer has paid too much tax to HMRC. Over payments may happen for a number of reasons, for example when people move in and out of work or receive changes to taxable benefits. Further information about tax repayments and ways of reclaiming overpaid tax is available on the HMRC website<sup>4</sup>.

The Child Tax Credit (CTC) and Working Tax Credit (WTC) have an income tax component of tax credits. Tax credits are Income tax credits are treated as negative tax amounts. Where the recipient of tax credits pays some tax, the amount of tax credit that serves to offset all or some of the tax paid is classified as negative tax. Further information about the types of income tax credit in latest and previous years

<sup>2</sup> [http://www.hmrc.gov.uk/stats/income\\_tax/menu.htm#liabilities](http://www.hmrc.gov.uk/stats/income_tax/menu.htm#liabilities)

<sup>3</sup> <http://www.hmrc.gov.uk/incometax/basics.htm>

<sup>4</sup> <http://www.hmrc.gov.uk/incometax/refund-reclaim.htm>

is provided in section 2 of this publication, and personal tax credit statistics are published on the HMRC website<sup>5</sup>. Annual child and working tax credit receipts (showing net payments and the breakdown between negative tax and payment on entitlement) are published in HM Revenue and Customs receipts<sup>6</sup>.

## **1.2 What is the difference between income tax receipts and income tax liabilities statistics?**

In addition to the tax receipts statistics published here there is a separate publication on income tax liabilities<sup>7</sup>. Liabilities are amounts of tax due on incomes arising in a given tax year, whereas receipts show amounts paid and collected in a given year. Due to lags in the income tax payment regimes, particularly that for Self Assessment, liabilities and receipts for the same year can differ appreciably. Liabilities and receipts will also differ for other reasons, for example when over or underpayments occur which are repaid or recovered in a later year altering total receipts in that year in a way unrelated to tax liabilities for that year. Moreover the methods for producing income tax receipts and liability statistics are different (receipts statistics are based on administrative data sources whereas liability statistics are compiled using a sample of tax return data).

If you require statistics about how much tax is actually paid and collected by HMRC in any given tax year, or information on how the tax has been collected, then the information you require is contained within this publication. The nature of how income tax is collected means it is not possible to analyse receipts by taxpayer characteristics, for example, by taxpayer's marginal tax rate, age or gender. However, these analyses are possible through modelling of income tax liabilities based on a representative sample of taxpayers using administrative data. If you require detailed breakdowns of income taxpayer numbers and the distribution of tax liabilities across taxpayers and tax bands, then you should look at statistics on tax liabilities. These statistics on tax liabilities also reflect more closely and directly than tax receipts the impact of changes in the tax regime and in the wider economy.

## **1.4 What information does this publication cover?**

This publication shows annual income tax receipts and income tax credits and repayments (other than those made through SA). Receipts are broken down according to the way in which tax is collected (through pay as you earn, self assessment etc). Tax credits are broken down by type of credit and repayments are broken down by type of repayment. Tables currently cover years 1999-00 to 2010-11. Figures shown for each year are consistent with HMRC's Trust Statement for that year.

## **1.5 Who might be interested in this publication?**

These tables are likely to be of interest to policy makers in government, academics, think-tanks' and other research bodies and journalists. They would be of use to individuals or organisations interested in the total income tax receipts, and the breakdown of receipts by method of collection.

## **1.6 Rounding**

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<sup>5</sup> <http://www.hmrc.gov.uk/stats/personal-tax-credits/menu.htm>

<sup>6</sup> [http://www.hmrc.gov.uk/stats/tax\\_receipts/tax-receipts-and-taxpayers.pdf](http://www.hmrc.gov.uk/stats/tax_receipts/tax-receipts-and-taxpayers.pdf)

<sup>7</sup> [http://www.hmrc.gov.uk/stats/income\\_tax/menu.htm#liabilities](http://www.hmrc.gov.uk/stats/income_tax/menu.htm#liabilities)

Figures in the tables are rounded to the nearest £1 million.

### **1.7 Revisions strategy and revisions made in this publication**

Provisional estimates for 2010-11 were published in April 2011. Provisional figures are replaced with Trust Statement consistent values for the latest year in this release. Total net income tax receipts for 2010-11 published in September 2011 are £0.4 billion lower than the provisional figure published. This was due to decreases in self assessment income tax and higher repayments, partially offset by higher PAYE and other income tax receipts.

Outturn statistics will be revised only if an error is discovered. In this release the assessed income tax value for 2006-07 has been revised down from £173 million to £156 million. This change is due to a small component of capital gains tax that was incorrectly being counted within income tax and has now been stripped out.

### **1.8 User engagement**

HMRC are committed to providing impartial quality statistics that meet our users' needs. We encourage users to engage with us so we can improve our statistics and identify gaps in them. If you would like to comment on these statistics or have any enquiries on the statistics please contact the statistician named at the start of this document.

Alternatively we would welcome any views you have using the link to the feedback form below. We will undertake to review user comments on a quarterly basis and use this information to influence the development of our official statistics. We will summarise and publish user comments at regular intervals.

<http://www.hmrc.gov.uk/stats/user-engagement.htm>

HMRC conducted a survey of users of income tax statistics between April and July 2011. The results of this survey are published on the HMRC website:

[http://www.hmrc.gov.uk/stats/income\\_tax/user-survey-results.pdf](http://www.hmrc.gov.uk/stats/income_tax/user-survey-results.pdf)

## 2. Income Tax Receipts Statistics Tables

This publication covers two tables:

Table 2.8: income tax receipts: analysis by type

Table 2.9: Income tax credits and repayments: analysis by type

### Table 2.8:

Table 2.8 gives a breakdown of net receipts of income tax by type of receipt and total repayments. The table shows:

- Self assessment receipts (net of repayments):  
Only net SA receipts are included in this table. Self assessment has been used to collect tax direct from individuals, trusts and estates from the tax year 1996-97. For each tax year a first payment on account (POA) is due on 31 January of that year, based on the previous year's liability. A second POA is due on 31 July and the balance of liabilities on the next 31 January (although many taxpayers do not have to make any POAs and will make a single payment at the time of the balancing payment). Net receipts in a year also include late payments in respect of earlier years and are also net of repayments made, mostly to those for whom deductions at source exceeded their total liability.
- Pay as you earn (PAYE) receipts:  
These figures include all receipts of tax collected from employers or pension schemes under PAYE. They include some payments of tax on investment income or in respect of income from previous years coded out under PAYE, these amounts are not separately distinguished. PAYE receipts also include deductions from sub-contractors made under the construction industry scheme.
- Assessed income tax receipts:  
Tax under this heading relates to legacy HMRC systems<sup>8</sup>.
- Tax deduction scheme for interest (TDSI) receipts:  
Banks and building societies deduct tax at a rate of 20% from interest paid on accounts held with them unless the investor is not liable to pay tax and has registered to receive interest gross. They must also deduct income tax from their annual payments, such as interest on bonds and debentures. They then pay the income tax deducted to HMRC. Account holders not liable to income tax who have not registered, and those who have had more tax deducted than they are due to pay, can claim a repayment from HMRC of the excess tax deducted. These repayments are included in the repayments total.

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<sup>8</sup> Schedules A (Tax on owner-occupied properties), B (income derived from the occupation of commercial woodlands), D (succeeded by self assessment) and E (succeeded by PAYE), and additional tax on investment income collected following the issue of a formal assessment (this arose if a taxpayer liable at the higher rate received dividends paid with a tax credit or other investment income where tax at the lower rate has been deducted at source, and the additional tax due is not collected via PAYE). These Schedules no longer exist but small amounts of money are still being received in respect of liabilities that arose prior to their abolition.

- Other tax deducted at source:  
This covers all tax deducted at source other than under PAYE and TDSI. There are two main types; (1) interest on securities paid by the Bank of England or other paying agents, who pay the tax direct to HMRC (recipients of the interest are credited with the tax deducted), (2) income tax payments equivalent to TDSI but made by companies other than banks.
- Other receipts:  
This includes receipts from investigation settlements and income tax payments which could not be allocated to a particular category. Also included are overpayments which may relate to any head of tax (unallocated receipts). Most of these overpayments are repaid during the year and recorded in repayment figures within this table. In 2010-11 other receipts also captures amounts recovered from taxpayers following the end of year reconciliation of tax years 2008-09 and 2009-10 that have been recovered by means other than adjustments to the tax code.
- Repayments (other than self assessment):  
Total of repayments and income tax credits recorded in table 2.9.
- Total net receipts:  
The sum of the above.

Table 2.9:

Table 2.9 shows a breakdown of income tax credits and repayments by type. The table shows:

- Working tax credits, child tax credits, working families tax credit and disabled:  
Working families tax credit (WFTC) replaced family credit and disabled person's tax credit (DPTC) replaced disability working allowance from 5 October 1999. Working tax credits (WTC) and child tax credits (CTC) jointly replaced WFTC and DPTC from 6<sup>th</sup> April 2003. WTC, CTC, WFTC and DPTC are administered by HMRC and further information on these credits is available from statistical enquiries which are published quarterly. Payments of these tax credits are treated as negative income tax to the extent that the credits are less than or equal to the tax liability of the family. Only the negative tax components are shown in this table.
- Mortgage interest relief as source (MIRAS):  
Relief on mortgage interest repayments was removed from 6 April 2000. Mortgage interest relief for those aged 65 and over who take out loans to buy a life annuity (a home income plan) ended with effect from 9 March 1999, but existing loans will continue to qualify for the remainder of the loan period. Under MIRAS borrowers paid their interest after deducting their tax relief. HMRC reimbursed lenders for the amounts deducted. Amounts are exclusive of public expenditure.
- Life assurance premium relief at source (LAPRAS):  
LAPRAS operates in a similar way to MIRAS so that premiums are paid to life assurance companies net of tax relief, and HMRC reimburses the insurers for the

amounts deducted. The relief applies only to policies taken out before 14 March 1984. Up to 5 April 1989 relief was 15% of the premium and it is now 12.5%. Amounts are exclusive of public expenditure.

- **Other tax credits:**  
Other reliefs given at a fixed rate which include relief on private medical insurance (PMI) premiums for the over 60s (abolished in the July 1999 Budget), and basic rate relief on vocational training (from April 1999 to September 2000 when it was abolished). Amounts shown are exclusive of public expenditure.
- **Repayments to individuals:**  
Include repayments of all types of income tax overpaid by taxpayers other than repayments made via self assessment (for which receipts figures in table 2.8 are net of repayments). They also include repayments of tax deducted from interest or other annual payments or payments of dividend tax credits to non-taxpayers. These figures have not been available since 2006-07 as the method used to calculate them has become unreliable.

Repayments to individuals, pension funds and insurance companies, and overseas repayments are based on a sample survey of repayment authorisations. The authorisation forms are not returned for all repayment cases, and the rate of return has been in decline. Substantial scaling factors were required in 2006-07 to scale the available returns up to total repayments. This led to doubts over the representativeness of the survey and doubts over the accuracy of results from it. For this reason the series were discontinued from 2006-07.

- **Personal pension contribution repayments:**  
Payments made to pension scheme administrators for basic rate tax relief on employees contributions to personal pensions and freestanding additional voluntary contributions. Tax relief on the national insurance rebate relating to employee's contributions is included. The public expenditure component is excluded.
- **Pension funds in insurance companies repayments:**  
Mainly payments of dividend tax credits and repayments of tax deducted from interest or other annual payments to pension funds and to life assurance companies in respect of their pension business which is also exempt from tax. They also include payments for relief on private medical insurance (PMI) premiums for the over 60s and any other repayments made to insurance companies. Repayments made during and after 1997-98 were much lower than in previous years because of the Budget 1997 measure which abolished the payment of dividend tax credits to pension schemes and UK companies for dividends paid on or after 2 July 1997. These figures have not been available since 2006-07 as the method used to calculate them has become unreliable.
- **Repayments to charities:**  
These figures are exclusive of public expenditure.
- **Overseas repayments:**

All repayments of tax and payments of dividend tax credits made by HMRC to non-residents. They exclude tax credits given at source by companies paying the dividends. These figures have not been available since 2006-07 as the method used to calculate them has become unreliable.

- Personal Equity Plans and Individual Savings Accounts repayments:  
These are payments of tax credits associated with dividend income and repayments of tax deducted from other investment income which are made to personal equity plan managers and from 1999-2000 individual savings account managers.
- Other repayments:  
This category mainly consists of repayments to UK resident companies other than insurance companies. It includes the repayment of some overpayments which relate to heads of tax other than income tax. These figures have not been available since 2006-07.

Income tax repayments are made for a large variety of reasons and go to many types of recipients. Some are made for a specific purpose to a particular type of recipient, such as MIRAS repayments to mortgage lenders, and these repayments are usually readily identifiable in departmental accounting systems. However in most other cases the reason for the repayment cannot be determined from the information held in these systems and it is not always possible to identify the nature of the recipient, especially for some of the smaller repayments.

As a result the allocation between the “individuals”, “pension funds and insurance companies”, “overseas” and “other” categories used in the table is based in part on the results of a sample of these repayments. The resulting estimates for these categories are rounded. The main reasons for the repayments in these categories and in those for charities and personal equity plans are that the recipients are entitled to a payment of the tax credit associated with their dividend income, or a repayment of tax deducted at source on their other investment income.

Payments of dividend tax credits are accounted for in the same way as income tax repayments and cannot be separately distinguished. All figures shown relate to the ‘negative’ tax component only. Repayments and payments of tax credits are treated as ‘negative income tax’ component only. Repayments and payments of tax credits are treated as ‘negative income tax’ to the extent that they are less than or equal to the total tax liability of the recipient. Any part of the payment that is not negative tax is treated as ‘public expenditure’. All figures shown are net of the payments made from the Exchequer to reimburse Inland Revenue for the ‘public expenditure’ components of WTC, CTC, WFTC, DPTC, MIRAS, LAPRAS, PMI and VTR credits, as well as repayments to personal pension scheme administrators and charities.

### **3. Statistical Commentary**

#### **3.1 Summary of key statistics**

- Total net income tax receipts in 2010-11 were £147.9 billion, income tax repayments in 2010-11 were £6.4 billion, income tax credits in 2010-11 were £5.6 billion.
- Net income tax receipts in 2010-11 are 6% higher than in 2009-10, returning receipts to slightly above the level in 2008-09, the previous peak.

#### **3.2 Latest figures available**

The latest year for which figures are available is 2010-11.

Total net receipts in 2010-11 were £147.9 billion, 15% of which, £22.1 billion, was from self assessment. Gross receipts (other than self assessment) were £137.8 billion. Of this 96%, £132.3 billion, was PAYE receipts, and 1.5%, £2.0 billion, was TDSI receipts.

Total repayments and tax credits, other than self assessment, were £12.0 billion in 2010-11. £6.4 billion were repayments, £1.7 billion were repayment of personal pension contributions and £1.0 billion were repayments to charities. Income tax credits in 2010-11 were £5.6 billion, almost all of this is due to working tax credits and child tax credits.

#### **3.3 Overall trends in time series**

Chart 1 shows total net income tax receipts from 1999-00 to 2010-11. Total receipts have increased year on year in all years except for 2009-10.

Between 2008-09 and 2009-10 receipts fell by 6%. Self assessment receipts in 2009-10 were also lower than receipts in 2008-09, a decrease of 4% (the lag in self assessment means that receipts in 2009-10 relate largely to 2008-09 liabilities). Lower receipts can be attributed to a downturn in the economy in 2008-09 and through 2009-10.

Net income tax receipts have increased during 2010-11, returning to slightly above the 2008-09 level, although self assessment receipts are 2% lower in 2010-11 than in 2008-09. Moreover overall receipts in 2010-11 are still only slightly higher than they were three years earlier in 2007-08, in contrast with marked growth in previous three year periods.

**Chart 1: total net receipts**

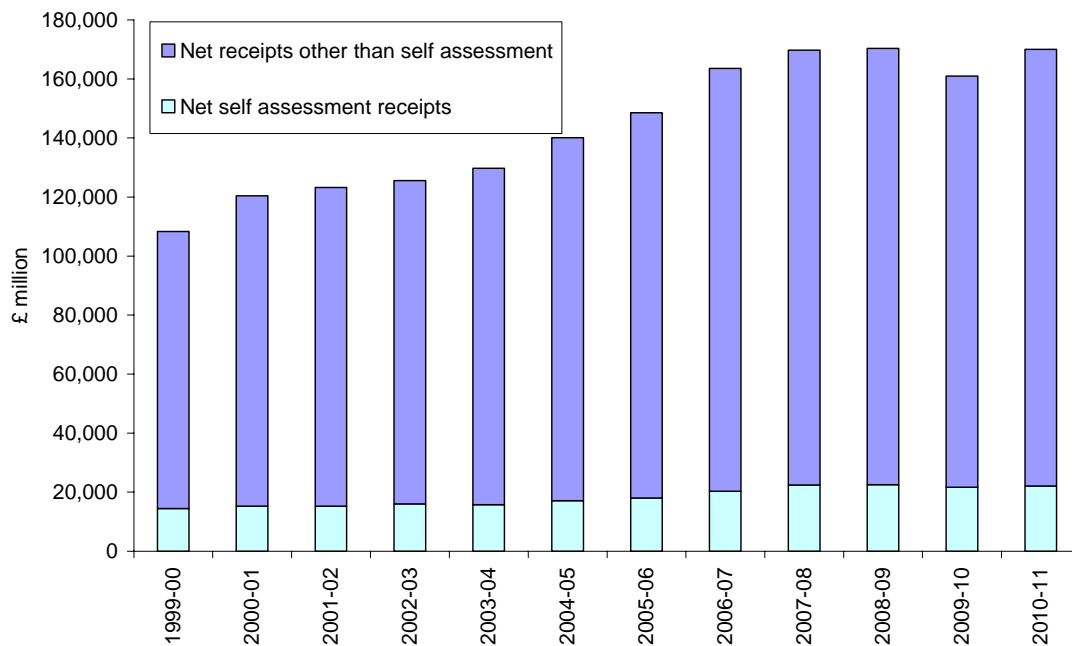


Chart 2 shows the breakdown of gross receipts, excluding self assessment receipts. There is a 8% increase in gross receipts between 2009-10 and 2010-11. This is due to increases in PAYE (8% increase) and 'other' receipts (58% increase, due to unallocated receipts), partially offset by lower TDSI receipts. TDSI receipts are 25% lower in 2010-11 than in 2009-10, due to falls in interest rates.

The chart shows a fall of 6% between 2008-09 and 2009-10. Comparing 2010-11 with 2008-09 we see gross receipts increased by less than 1%. This comprises an increase of 3% in PAYE receipts and an increase in 'other' receipts of 16% (driven by unallocated receipts), offset by a decrease in TDSI of 54%, and a decrease of 38% in other tax deducted at source (driven by company income tax receipts).

**Chart 2: gross receipts other than self assessment**

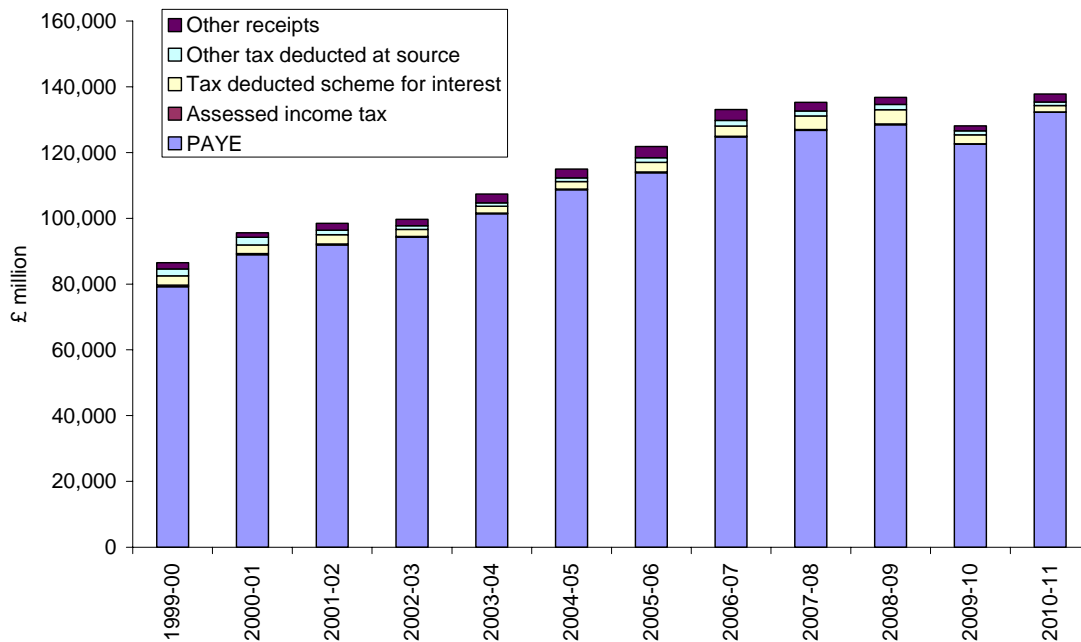


Chart 3 shows income tax credits. The introduction of the Working Tax Credits (WTC) and Children Tax Credit (CTC) in 2003-04 led to an increase in expenditure due the new system being more generous than the previous one. The rise in expenditure in 2008-09 was mainly the result of policy changes, among other things an increase to the Working Tax Credit threshold and the value of the child element above average earnings. This made the system more generous for existing claimants and increased the number of families who were entitled to tax credits. MIRAS receipts fell after the relief was removed at the end of 1999-2000. Very small amounts have been received in subsequent years. LAPRAS receipts have steadily decreased over the period.

**Chart 3: Income tax credits**

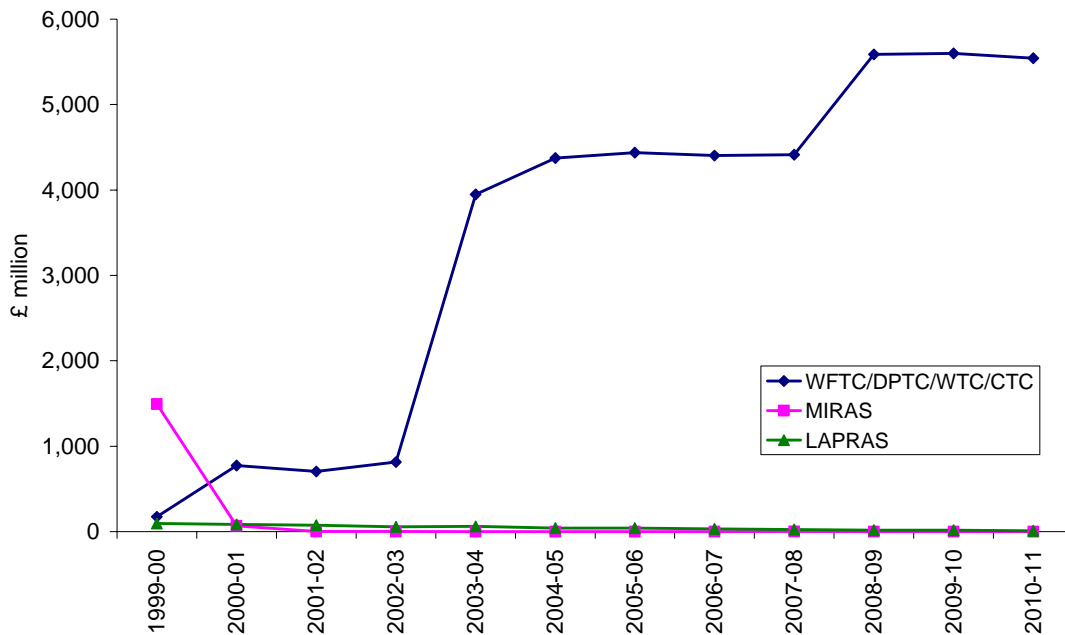


Chart 4 shows total non-self assessment repayments. The increase between 2009-10 and 2010-11 reflects repayments made in 2010-11 that were identified during processing of end of year returns relating to tax years 2008-09 and 2009-10.

**Chart 4: Repayments (other than self assessment)**

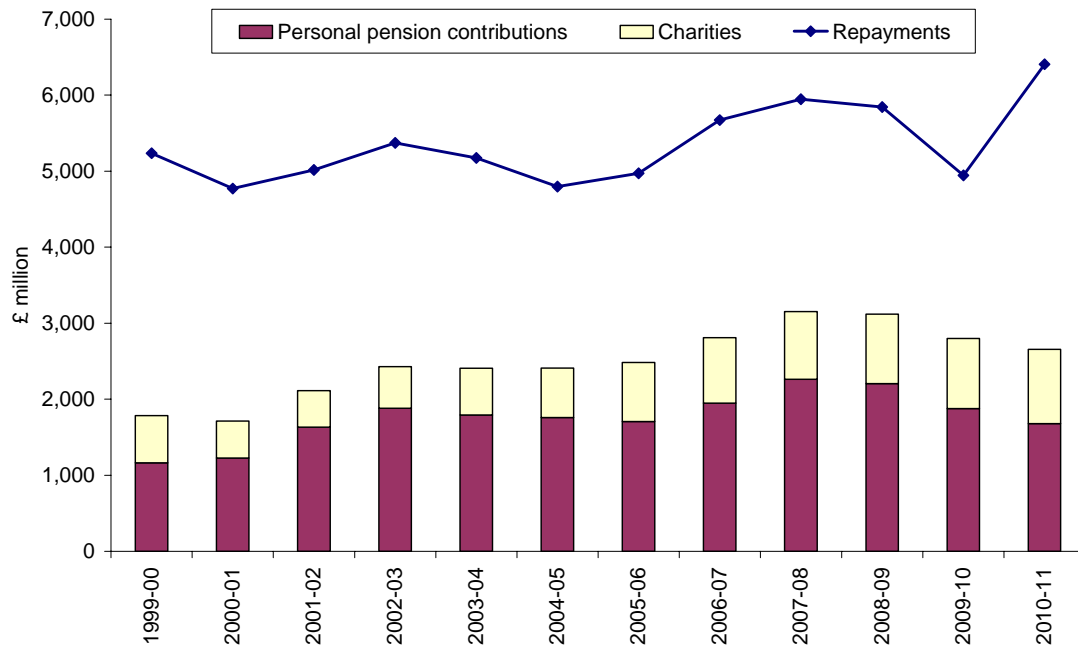


Table 2.8

## 2.8

## Income tax receipts: analysis by type

Amounts: £ million

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Receipts other than self assessment <i>of which:</i>	86,504	95,627	98,515	99,695	107,381	114,992
PAYE	79,187	88,950	91,937	94,243	101,389	108,699
Assessed income tax	516	327	295	231	183	194
Tax deduction scheme for interest (TDSI)	2,783	2,674	2,772	2,122	2,092	2,266
Other tax deducted at source	2,115	2,286	1,389	1,160	1,081	1,188
Other receipts	1,903	1,390	2,123	1,938	2,637	2,645
Self Assessment, net of repayments <sup>1</sup>	14,432	15,273	15,281	16,059	15,772	17,141
Repayments other than self assessment <sup>2,3</sup>	-7,026	-5,723	-5,803	-6,247	-9,185	-9,213
<b>Total net receipts <sup>4</sup></b>	<b>93,910</b>	<b>105,177</b>	<b>107,994</b>	<b>109,507</b>	<b>113,968</b>	<b>122,920</b>
						£ million
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Receipts other than self assessment <i>of which:</i>	121,852	133,112	135,269	136,771	128,134	137,800
PAYE	113,894	124,799	126,760	128,470	122,584	132,263
Assessed income tax	174	156	208	198	130	80
Tax deduction scheme for interest (TDSI)	2,969	3,124	4,134	4,365	2,676	1,994
Other tax deducted at source	1,400	1,744	1,564	1,615	1,190	1,003
Other receipts	3,416	3,290	2,603	2,122	1,554	2,460
Self Assessment, net of repayments <sup>1</sup>	18,077	20,306	22,443	22,531	21,708	22,108
Repayments other than self assessment <sup>2,3</sup>	-9,450	-10,108	-10,388	-11,447	-10,561	-11,959
<b>Total net receipts <sup>4</sup></b>	<b>130,480</b>	<b>143,310</b>	<b>147,323</b>	<b>147,856</b>	<b>139,281</b>	<b>147,949</b>

<sup>1</sup> Income tax element only<sup>2</sup> Including payments of tax credits<sup>3</sup> Exclusive of Public Expenditure<sup>4</sup> Totals may not equal the sum of their components because of rounding

**Table 2.9**  
**2.9**

**Income tax credits and repayments<sup>1, 2, 3, 4</sup> : analysis by type**

Amounts: £ million

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Income tax credits	1,791	952	787	875	4,012	4,416
<i>of which:</i>						
WFTC/DPTC/WTC/CTC	173	774	704	814	3,948	4,373
MIRAS	1,494	68	2	2	1	1
LAPRAS	95	85	77	58	62	42
Other	29	25	3	1	-	-
Repayments	5,235	4,770	5,016	5,372	5,174	4,797
<i>of which:</i>						
Individuals	1,200	1,200	1,300	1,700	1,650	1,700
Personal pension contributions	1,164	1,226	1,634	1,881	1,793	1,760
Pension funds and insurance companies	1,100	700	550	350	250	100
Charities	620	485	479	548	615	650
Overseas	140	110	180	90	20	10
Personal Equity Plans/Individual Savings Accounts	334	336	384	372	412	200
Other	650	700	450	450	400	350
Total tax credits and repayments	7,026	5,723	5,803	6,247	9,185	9,213

£ million

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Income tax credits	4,479	4,435	4,442	5,603	5,616	5,552
<i>of which:</i>						
WFTC/DPTC/WTC/CTC	4,437	4,402	4,414	5,586	5,600	5,542
MIRAS	1	1	2	0	0	0
LAPRAS	42	32	25	17	16	10
Other	-	-	-	-	-	-
Repayments	4,970	5,673	5,947	5,844	4,945	6,407
<i>of which:</i>						
Individuals	1,800	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>
Personal pension contributions	1,706	1,949	2,263	2,206	1,877	1,679
Pension funds and insurance companies	50	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>
Charities	778	859	889	912	922	978
Overseas	-	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>
Personal Equity Plans/Individual Savings Accounts	163	156	152	157	152	162
Other	500	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>	.. <sup>5</sup>
Total tax credits and repayments	9,450	10,108	10,388	11,447	10,561	11,959

<sup>1</sup> Including payments of tax credits

<sup>2</sup> Excluding repayments made via Self Assessment system

<sup>3</sup> Totals may not equal the sum of their components because of rounding

<sup>4</sup> Exclusive of Public Expenditure

<sup>5</sup> The estimates for these categories have become unreliable and so are not shown separately



## Annex A: Data sources, methodology and data quality

Data used in the income tax receipts tables comes from HMRC departmental administrative sources.

Pay As You Earn receipts come from the BROCS system (Business Review of the Collection Service)<sup>9</sup>. Self assessment receipts come from the HMRC system SAMAS (Self Assessment Management Accounting System)<sup>10</sup>. Other components come from the HMRC system SAFE (Strategic Accounting Framework Environment)<sup>11</sup>.

Data is extracted from the relevant systems. Some adjustments are applied to data extracted from the systems in order to identify the income tax component:

- PAYE: receipts for PAYE IT and NIC1 are collected through the same system and are not separately identifiable at the time of receipt. HMRC do not know the split between IT and NIC until the employer's end of year return (P35) is received, around May following the end of the tax year. Receipts are provisionally split during the tax year (using HMRC forecasting models) and compensating adjustments are made once the P35 is received. Thus receipts in a financial year cover amounts accounted for under income tax during the year, and re-allocations between income tax and NICs received in previous years.
- Self Assessment: receipts include income tax, capital gains tax and class 4 NICs. Money paid via self assessment covers income tax, capital gains tax and class 4 NICs. Receipts for each of these heads of duty are not identified separately, instead they are apportioned based on the split of liabilities. This split of receipts is fixed for the Trust Statement.

Preliminary estimates for the latest year are published in April. These are based on the estimated end year receipts position, with forecasted values being used where final receipts positions are unknown. The HMRC Trust Statement is published during July. Receipts for the latest year are aligned to the Trust Statement and published as final receipts in September.

Statistics are based on data from major HMRC administrative systems plus data published in the Trust Statement, which are subject to high levels of scrutiny and audit. The data sources used to produce the income tax receipts statistics are also used to monitor tax receipts and they are used to produce other published HMRC statistics (HM Revenue and Customs receipts<sup>12</sup>).

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<sup>9</sup> The main purpose of BROCS is to: Maintain accounting records; Issue reminders for late payment and collate information about debts for PAYE, Class 1 and 1A NICs, surcharges and related interest; and enable the total amounts remitted to HMRC under each PAYE scheme over the course of the year to be reconciled with the total which the employer indicates on their (P35) end of year return that they believe they have remitted.

<sup>10</sup> SAMAS is the management accounting system used to agree the credits and debits posted to the SA system

<sup>11</sup> SAFE is HMRC's accounting framework

<sup>12</sup> [http://www.hmrc.gov.uk/stats/tax\\_receipts/tax-receipts-and-taxpayers.pdf](http://www.hmrc.gov.uk/stats/tax_receipts/tax-receipts-and-taxpayers.pdf)