

2.5 Income tax liabilities, by Income Range⁽⁷⁾

2006-07

Numbers: thousands; Amounts: £ million

Range of total income (lower limit)	Starting rate (2) taxpayers		"Savers" rate (3) taxpayers		Basic rate (4) taxpayers		Higher rate (5) taxpayers		All taxpayers	Liability before Tax	Liability after Tax	Total income of taxpayers	Average rate of tax	Average amount of Tax
	Number	Amount	Number	Amount	Number	Amount	Number	Amount		Reductions (6)	Reductions (6)			
£	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Amount	Amount	%	£
5,035	2,340	253	110	22	191	48	..	..	2,640	322	322	16,800	1.9	122
7,500	903	116	260	89	2,470	1,300	..	..	3,630	1,510	1,510	31,800	4.7	414
10,000	75	40	313	223	6,210	7,630	..	..	6,600	7,890	7,710	82,000	9.4	1,170
15,000	32	36	89	136	5,150	11,800	..	..	5,270	12,000	11,900	91,600	13.0	2,260
20,000	48	91	85	202	6,390	24,400	..	..	6,530	24,700	24,600	160,000	15.4	3,760
30,000	44	129	66	217	3,260	18,900	1,530	12,900	4,900	32,100	32,000	184,000	17.4	6,540
50,000	..	..	2	5	9	46	1,660	27,400	1,670	27,400	27,400	110,000	24.9	16,400
100,000	..	..	-	1	1	7	291	10,600	293	10,600	10,600	35,400	29.9	36,100
150,000	..	..	..	..	..	..	112	6,130	113	6,130	6,120	19,300	31.7	54,300
200,000	..	..	..	..	-	2	132	12,800	133	12,800	12,800	38,300	33.4	96,200
500,000	..	..	..	..	..	..	26	6,030	26	6,030	6,000	17,400	34.5	234,000
1,000,000	..	..	..	..	..	..	11	8,610	11	8,610	8,580	24,000	35.7	776,000
All Ranges	3,450	665	927	896	23,700	64,100	3,770	84,500	31,800	150,000	150,000	810,000	18.5	4,700

2007-08⁽¹⁾

Numbers: thousands; Amounts: £ million

Range of total income (lower limit)	Starting rate (2) taxpayers		"Savers" rate (3) taxpayers		Basic rate (4) taxpayers		Higher rate (5) taxpayers		All taxpayers	Liability before Tax	Liability after Tax	Total income of taxpayers	Average rate of tax	Average amount of Tax
	Number	Amount	Number	Amount	Number	Amount	Number	Amount		Reductions (6)	Reductions (6)			
£	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Amount	Amount	%	£
5,225	2,190	246	42	6	13	3	..	..	2,250	255	255	14,400	1.8	113
7,500	1,000	132	319	105	2,120	1,060	..	..	3,440	1,290	1,290	30,100	4.3	376
10,000	83	43	436	310	5,980	6,990	..	..	6,500	7,340	7,200	80,800	8.9	1,110
15,000	35	38	118	182	5,060	11,300	..	..	5,210	11,600	11,400	90,600	12.6	2,190
20,000	49	91	117	299	6,640	24,900	..	..	6,810	25,300	25,200	166,000	15.2	3,710
30,000	50	150	86	307	3,920	23,000	1,450	12,200	5,510	35,700	35,700	208,000	17.2	6,480
50,000	..	..	2	6	10	55	1,920	31,100	1,930	31,200	31,100	127,000	24.5	16,100
100,000	..	..	1	1	1	7	329	11,900	331	11,900	11,800	39,800	29.7	35,800
150,000	..	..	..	..	-	2	127	6,900	127	6,900	6,890	21,800	31.6	54,100
200,000	..	..	..	..	1	3	148	14,300	148	14,300	14,300	42,700	33.4	96,100
500,000	..	..	..	..	..	..	29	6,730	29	6,730	6,700	19,400	34.5	234,000
1,000,000	..	..	..	..	..	..	12	9,670	12	9,670	9,640	26,900	35.9	782,000
All Ranges	3,410	701	1,120	1,220	23,700	67,400	4,010	92,800	32,300	162,000	162,000	868,000	18.6	5,000

2008-09 ⁽¹⁾

Numbers: thousands; Amounts: £ million

Range of total income (lower limit)	Starting rate (2) taxpayers		"Savers" rate (3) taxpayers		Basic rate (4) taxpayers		Higher rate (5) taxpayers		All taxpayers	Liability before Tax	Liability after Tax	Total income of taxpayers	Average rate of tax	Average amount of Tax
	Number	Amount	Number	Amount	Number	Amount	Number	Amount		Reductions (6)	Reductions (6)			
£	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Amount	Amount	%	£
6,035	155	6	34	2	1,270	180	..	..	1,460	188	188	9,950	1.9	128
7,500	120	9	72	17	2,710	1,240	..	..	2,900	1,270	1,270	25,600	4.9	437
10,000	69	16	184	106	6,180	6,750	..	..	6,430	6,870	6,760	80,000	8.5	1,050
15,000	7	6	97	122	5,070	10,600	..	..	5,180	10,700	10,600	90,000	11.8	2,050
20,000	9	14	110	229	6,770	23,500	..	..	6,890	23,800	23,700	168,000	14.1	3,440
30,000	8	20	81	241	4,280	23,500	1,230	9,860	5,600	33,600	33,600	211,000	15.9	6,000
50,000	..	..	2	5	13	68	1,920	29,800	1,930	29,800	29,800	127,000	23.4	15,400
100,000	..	..	..	1	2	8	324	11,500	327	11,500	11,500	39,300	29.2	35,100
150,000	..	..	..	..	1	3	124	6,690	125	6,690	6,680	21,400	31.2	53,500
200,000	..	..	..	..	1	3	143	13,800	144	13,800	13,800	41,400	33.2	95,700
500,000	..	..	..	..	..	..	28	6,510	28	6,510	6,490	18,800	34.5	234,000
1,000,000	..	..	..	..	..	..	12	9,350	12	9,350	9,330	25,900	36.1	779,000
All Ranges	368	71	581	725	26,300	65,900	3,770	87,400	31,000	154,000	154,000	858,000	17.9	4,950

2009-10 ⁽¹⁾

Numbers: thousands; Amounts: £ million

Range of total income (lower limit)	Starting rate (2) taxpayers		"Savers" rate (3) taxpayers		Basic rate (4) taxpayers		Higher rate (5) taxpayers		All taxpayers	Liability before Tax	Liability after Tax	Total income of taxpayers	Average rate of tax	Average amount of Tax
	Number	Amount	Number	Amount	Number	Amount	Number	Amount		Reductions (6)	Reductions (6)			
£	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Amount	Amount	%	£
6,475	81	2	35	1	885	88	..	..	1,000	91	91	7,020	1.3	91
7,500	61	4	53	9	2,570	1,020	..	..	2,680	1,030	1,030	23,600	4.4	385
10,000	43	8	141	68	6,170	6,140	..	..	6,350	6,220	6,140	78,900	7.8	967
15,000	6	5	69	70	5,020	10,000	..	..	5,090	10,100	9,960	88,400	11.3	1,960
20,000	6	9	90	159	6,690	22,600	..	..	6,790	22,700	22,600	166,000	13.7	3,340
30,000	7	19	105	302	4,820	27,000	584	4,680	5,520	32,000	32,000	208,000	15.4	5,800
50,000	..	..	2	6	21	120	1,890	27,900	1,910	28,100	28,000	126,000	22.2	14,600
100,000	..	..	..	1	2	10	321	11,100	324	11,100	11,100	39,000	28.5	34,200
150,000	..	..	..	..	1	3	122	6,490	123	6,490	6,480	21,100	30.7	52,700
200,000	..	..	..	..	1	3	141	13,400	142	13,400	13,400	40,700	32.9	94,500
500,000	..	..	..	..	..	..	27	6,440	27	6,440	6,420	18,600	34.5	233,000
1,000,000	..	..	..	..	..	..	12	9,190	12	9,190	9,170	25,500	35.9	787,000
All Ranges	204	48	496	616	26,200	67,000	3,100	79,200	30,000	147,000	146,000	843,000	17.4	4,890

Key

. not applicable

.. not available or sample size too small to produce a reliable estimate

*negligible

- (1) Projected estimates based upon the 2006-07 Survey of Personal Incomes, in line with Pre Budget Report 2009.
- (2) Taxpayers with a marginal rate at the 10% starting rate from an extra £1 of earnings. For 2008-09 onwards, there is no starting rate for earnings.
- (3) Taxpayers with a marginal rate at the 20% lower rate for savings income or the 10% ordinary dividend rate from an extra £1 of earnings.
- (4) Taxpayers with a marginal rate at the 22% basic rate from an extra £1 of earnings. For 2008-09 onwards, taxpayers with a marginal rate at the 20% basic rate from an extra £1 of earnings.
- (5) Taxpayers with taxable income above the higher rate threshold.
- (6) In this context tax reductions refer to allowances given at a fixed rate, for example the Married Couples Allowance.
- (7) Due to an error in the process for handling income tax credits, some individuals were incorrectly assigned as being liable at the "savers" rate instead of the starting rate for 2006-07 to 2007-08 and the starting rate or basic rate for 2008-09 onwards (e.g. 300,000 in 2005-06 were classified as savings rate rather than starting rate).

Notes on the tables

a. Income tax projections for the years 2007-08, 2008-09, 2009-10 and 2010-11 are based on the Survey of Personal Incomes (SPI) 2006-07 and Pre Budget Report 2009.

b. In 2006-07 all taxpayers are liable on taxable income other than savings and dividend income at the starting rate of 10 per cent on the first £2,150, at the basic rate of 22 per cent on the next £31,150 and 40 per cent over £33,300. (Taxable Income is defined as gross income for income tax purposes less allowances and reliefs available at the marginal rate.) Dividend income is charged at 10 per cent up to the basic rate limit of £33,300 and 32.5 per cent above. Savings income is charged at 10 per cent up to the starting rate limit, at 20 per cent between the starting and basic rate limits and 40 per cent above. The table above shows the total income tax liability for starting, basic and higher rate taxpayers for each income range.

c. In 2007-08 all taxpayers are liable on taxable income other than savings and dividend income at the starting rate of 10 per cent on the first £2,230, at the basic rate of 22 per cent on the next £32,370 and 40 per cent over £34,600. (Taxable Income is defined as gross income for income tax purposes less allowances and reliefs available at the marginal rate.) Dividend income is charged at 10 per cent up to the basic rate limit of £34,600 and 32.5 per cent above. Savings income is charged at 10 per cent up to the starting rate limit, at 20 per cent between the starting and basic rate limits and 40 per cent above. The table above shows the total income tax liability for starting, basic and higher rate taxpayers for each income range.

d. In 2008-09 all taxpayers are liable on taxable income other than savings and dividend income at the basic rate of 20 per cent on the first £34,800 and 40 per cent over £34,800. (Taxable Income is defined as gross income for income tax purposes less allowances and reliefs available at the marginal rate.) Dividend income is charged at 10 per cent up to the basic rate limit of £34,800 and 32.5 per cent above. Savings income is charged at 10 per cent up to the starting rate limit on the first £2,320, at 20 per cent between the starting and basic rate limits and 40 per cent above. The table above shows the total income tax liability for starting, basic and higher rate taxpayers for each income range.

e. In 2009-10 all tax payers are liable on taxable income other than savings and dividend income at the basic rate of 20 per cent on the first £37,400 and 40 per cent over £37,400. (Taxable Income is defined as gross income for income tax purposes less allowances and reliefs available at the marginal rate.) Dividend income is charged at 10 per cent up to the basic rate limit of £37,400 and 32.5 per cent above £37,400. Savings income is charged at 10 per cent up to the starting rate limit on the first £2,440, at 20 per cent between the starting and basic rate limits (£37,400) and 40 per cent above £37,400.

f. In 2009-10 all tax payers are liable on taxable income other than savings and dividend income at the basic rate of 20 per cent on the first £37,400 and 40 per cent over £37,400. (Taxable Income is defined as gross income for income tax purposes less allowances and reliefs available at the marginal rate.) Dividend income is charged at 10 per cent up to the basic rate limit of £37,400 and 32.5 per cent above £37,400. All dividends over £150,000 is taxed at 42.5. Savings income is charged at 10 per cent up to the starting rate limit on the first £2,440, at 20 per cent between the starting and basic rate limits (£37,400) and 40 per cent above £37,400.

