

- (1) **Is the UK tax burden really the highest it's ever been?**
- (2) **Can the UK afford tax increases?**
- (3) **Does the public sector give value for money?**

**Tax Increases ..... evil incarnate or useful economic tool?** This article focuses on one of the main UK political issues of the day which is ....which of the two main political parties are currently winning in convincing the UK public that tax rises are bad.

**Why is this happening?** Why is there a race to the bottom, so to speak, when it comes to which party can deliver the lowest tax economy.

In general terms the Conservatives are thought of as the party that believes in a smaller public sector. You know the arguments - private enterprise is more efficient public because, for example, private business owners have an incentive to make profits and in doing so wish to use their assets to the maximum level of efficiency and also that competition is good because it results in pushing down prices and so on.

On the other hand those of a more left-wing mind set (arguably more associated with the Labour Party) might say that because there has to be returns to investors (for example in the form of dividends), in order to encourage those investors to put capital into private businesses in the first place, the actual cost savings (for the customer) is less because of the "creaming off", year on year, of those dividends. Additionally, those supporters of the public sector service provider, might, when it comes to competition argue that there is a big question mark as to how much competition actually exists when, say, it comes to providers of certain services such as electricity, railway services and so on..... frankly supposedly competitive businesses are often actually just oligopolies (a small number of enterprises) so there's not true competition or sometimes monopolies, with even less chance of competition.

As of late, the Labour Party appears to be moving away from the idea that a larger public sector is a good thing and instead seems to be arguing that it will make the UK better by simply doing things differently and better.

Both Labour and Conservative party leaders seem hell bent on giving credence to the narrative that raising taxes is not a good thing and that in saying they won't raise taxes means that they are competent and trustworthy when it comes to the economy.

That does not make sense to me. I would have thought anyone running an economy properly should realise that to exercise fiscal policy (government spending and taxation) properly means using tax rises and tax cuts as appropriate, depending on the actual state of the economy at any given point in time.

Nonetheless Rishi Sunak and Keir Starmer seem keen on competing with each other in a bid to convince the people of the UK that raising taxes is a bad thing and theirs is the party that won't be raising taxes. Each gives the impression that they would prefer to have their teeth pulled rather than raise taxes. Consider to the short exchange between Labour's Keir Starmer and the Conservatives Prime Minister Rishi Sunak in the PMs question time on 7 February 2024:

*Rishi Sunak - "Mr Speaker, the best way to ensure that we continue to fund the NHS as we have is not to make £28 billion worth of unfunded spending commitments and just this morning independent Treasury officials have published the formal costing of just one part of their eco-promise, their insulation scheme and it turns out that it will cost double what they had previously claimed... Not the 6 billion that Labour accounted for but £13 billion every single year. It is now crystal clear that they have absolutely no plan but we all know how they are going to fund that gap... More taxes on hard-working people."*

*Keir Starmer... This is Mr 25 tax rises... He is literally the country's expert on putting taxes up... And he thinks he can lecture everyone else on the economy.*

Now, Starmer does follow this up with a comment on non-doms and as he put it "tax avoidance". However, in that regard, the Labour party is reported in the Guardian, on 12 Jan 24, as looking to water down their non-dom tax policy (which applies to persons who are registered with HM revenue and Customs as tax resident in the UK

but who do not have to pay UK tax on income and capital gains earned overseas unless they bring their money into the UK or deposit it into a UK bank account).

This watering down was commented on by Hilary Schan, co-chair of Momentum, the left wing campaign group said in a Guardian article at <https://www.theguardian.com/politics/2024/jan/12/flagship-labour-plan-scrap-non-dom-tax-breaks> in which she said:

“Full abolition of the non-dom tax status is a common sense, popular policy. So it beggars belief that the Labour leadership is watering down an already weak commitment on non-doms, and sacrificing much-needed funds for Britain’s broken public services in the process.”

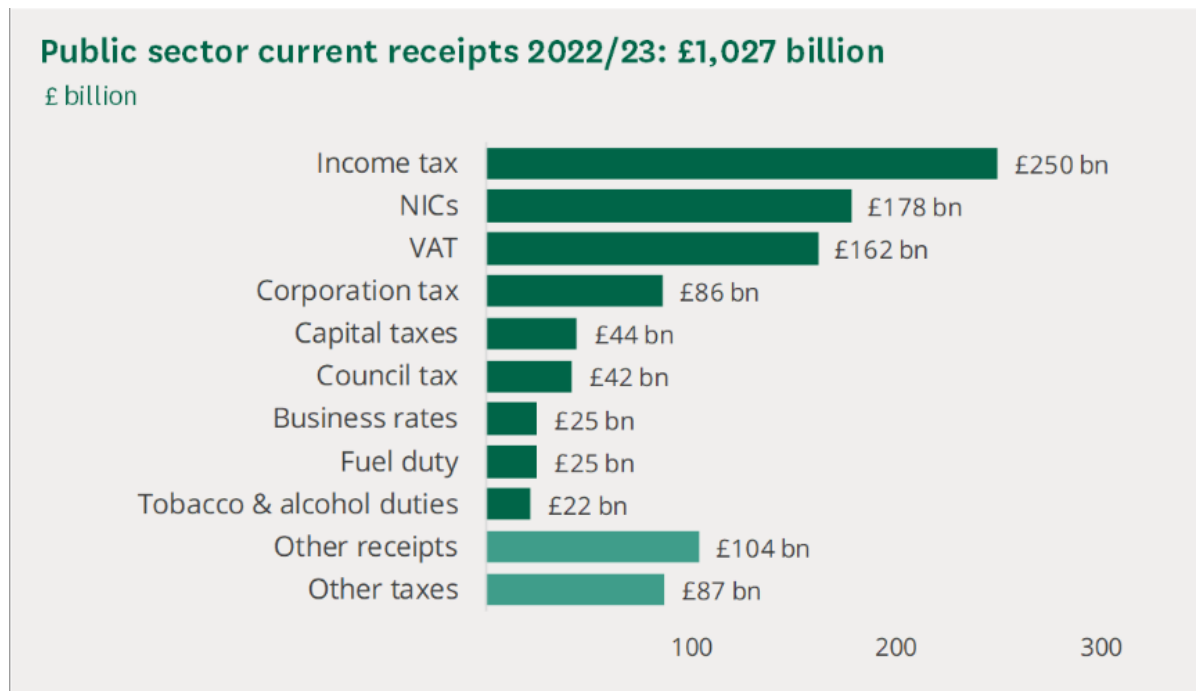
So the narrative being put forward by Labour and Conservatives is that tax rises are essentially bad. But is that really the case?

- (4) Is the UK tax burden really the highest it’s ever been?
- (5) Can the UK afford tax increases?
- (6) Does the public sector give value for money?

### **(1) Is the UK Tax burden the highest its ever been ?**

Let’s have a look at some statistics for the public sector receipts i.e. how much of the tax receipts is allocated to each different government department

Statistics from the Commons Library at the website <https://commonslibrary.parliament.uk/research-briefings/cbp-8513/> give the following information on tax (and other receipts):



Government revenue (note not all of this is tax as you will see other receipts mentioned at £104 billion) raised in 2022/2023 approximately 1,027 billion. That's 1,027 thousand million pounds or put another way 1.027 million million pounds.

We can have a closer look at these figures by going to the gov.uk National statistics spreadsheets showing detailed analysis of tax revenue and other receipts, GDP figures and so on.

<https://ifs.org.uk/taxlab/taxlab-key-questions/what-does-government-spend-money>

Commentators, political and those in the media regularly comment that the tax burden is the highest that it has ever been - let's take a closer look at that and see what they mean and whether it is truly the full picture and whether there are other factors behind those figures.

	A	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	
1	<b>Current receipts by tax and gear</b>																												
2	<i>Billion (nominal)</i>	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
3		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28			
4	Income tax (gross of tax credits)	117.9	127.3	135	147.7	151.7	153.4	144.9	153.5	151	152.1	156.9	163.1	168.5	177.1	180.0	191.0	193.2	193.7	220.6	248.2	267.3	281.3	292.4	305.3	319.6			
5	<i>of which:</i>																												
6	<i>Pay as you earn</i>	101.4	108.7	113.9	124.8	126.8	128.5	122.6	132.3	132.2	132.4	134.7	139.5	145.7	149.8	154.3	161.9	164.8	166.7	188.3	211.6	227.9	235.8	243.7	253.0	263.1			
7	<i>Self assessment</i>	15.8	17.1	18.1	20.3	22.4	22.5	21.7	22.1	20.3	20.6	20.9	23.6	24.3	29.3	28.3	31.5	21.2	31.2	37.0	42.0	44.5	50.9	54.5	58.1	62.5			
8	National Insurance contributions (NICs)*	72.5	78.1	85.5	87.3	100.4	96.9	95.5	96.5	101.6	102.0	107.7	110.4	113.7	124.5	130.9	136.6	142.9	143.5	158.0	176.8	172.8	174.8	180.2	185.9	192.7			
9	Value added tax (VAT)†	69.1	73.0	72.9	77.4	80.6	78.4	70.2	83.5	98.3	100.6	104.7	111.4	115.4	119.8	125.4	132.2	129.9	101.7	157.5	160.1	161.5	167.2	171.6	175.4	180.9			
10	Corporation tax*	28.5	34.0	42.4	44.9	47.0	43.9	36.6	43.0	42.5	39.8	38.9	41.1	43.0	47.9	52.7	54.3	61.7	51.0	64.7	76.2	74.5	86.4	93.0	101.1	109.5			
11	<i>of which:</i>																												
12	<i>Onshore</i>	25.4	30.2	35.0	38.2	41.3	34.1	31.6	36.2	33.6	35.4	35.4	39.1	42.4	47.6	50.9	52.4	60.4	50.5	62.7	69.6	69.4	81.3	89.0	97.6	106.5			
13	<i>Offshore</i>	3.1	3.8	7.3	6.7	5.7	9.8	5.0	6.9	8.8	4.4	3.6	2.0	0.6	0.3	1.8	1.9	1.3	0.5	1.9	6.6	5.1	5.1	3.9	3.5	3.0			
14	Windfall tax on privatised utilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
15	Petroleum revenue tax	1.2	1.3	2	2.2	1.7	2.6	0.9	1.5	2	1.7	1.1	0.1	-0.6	-0.7	-0.6	-0.7	-0.4	-0.3	-0.6	-0.4	-0.2	-0.2	-0.2	-0.1	-0.1			
16	Supplementary petroleum duty	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
17	Petroleum royalties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
18	Gas levy (net of corporation tax clawback)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
19	Fuel duties	22.8	23.3	23.4	23.6	24.9	24.6	26.2	27.3	26.8	26.6	26.9	27.2	27.6	27.9	27.9	28.0	27.6	20.9	25.9	24.8	24.3	26.6	26.3	26.0	25.9			
20	Capital gains tax	2.2	2.3	3.0	3.8	5.3	7.9	2.5	3.6	4.3	3.9	3.9	5.6	7.1	8.6	7.8	9.2	9.8	11.1	15.3	18.1	17.8	19.5	21.2	23.4	26.1			
21	Inheritance tax / Capital transfer tax / Estate duty†	2.5	2.9	3.3	3.5	3.8	2.8	2.4	2.7	2.9	3.1	3.4	3.8	4.7	4.8	5.2	5.4	5.1	5.4	6.1	7.0	7.2	7.2	7.4	7.8	8.4			
22	Stamp duties	7.5	9.0	10.9	13.4	14.1	8.0	7.9	8.9	8.9	9.1	12.5	13.8	14.6	16.1	17.1	16.5	16.2	13.2	18.6	19.9	15.8	15.8	18.3	20.9	23.1			
23	<i>of which:</i>																												
24	<i>Property transaction taxes †</i>	5.0	6.3	7.5	9.6	10.0	4.8	4.9	6.0	6.1	6.9	9.4	10.9	11.3	12.4	13.6	12.9	12.5	9.5	14.2	16.0	11.6	11.4	13.8	16.3	18.3			
25	<i>Stamp taxes on shares</i>	2.6	2.7	3.5	3.8	4.2	3.2	3.0	3.0	2.8	2.2	3.1	2.9	3.3	3.7	3.5	3.6	3.6	3.7	4.4	3.9	4.2	4.4	4.5	4.6	4.8			
26	Tobacco duties	8.1	8.1	8.0	8.1	8.1	8.2	8.8	9.1	9.6	9.7	9.5	9.5	9.5	8.9	8.8	9.3	8.8	10.0	10.3	10.0	10.4	10.3	10.1	9.8	9.7			
27	Spirits duties	2.4	2.4	2.3	2.3	2.4	2.4	2.6	2.7	2.9	2.9	3.1	3.0	3.1	3.4	3.4	3.8	3.8	4.1	4.4	4.1	4.4	4.8	5.1	5.3	5.7			
28	Wine duties	2.0	2.2	2.3	2.4	2.6	2.7	2.9	3.1	3.4	3.5	3.7	3.8	4.0	4.2	4.3	4.4	4.3	4.7	4.7	4.5	4.7	5.0	5.2	5.3	5.5			
29	Beer and cider duties	3.2	3.3	3.2	3.3	3.3	3.4	3.5	3.6	3.8	3.8	3.7	3.6	3.6	3.6	3.8	3.9	3.8	3.3	4.0	3.9	3.9	4.1	4.2	4.4	4.6			
30	Car tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
31	Air passenger duty	0.8	0.9	0.9	1.0	2.0	1.9	1.9	2.2	2.6	2.8	3.0	3.2	3.1	3.2	3.4	3.6	3.6	0.6	1.0	3.2	3.8	4.4	4.6	4.8	5.1			
32	Insurance premium tax	2.3	2.4	2.3	2.3	2.3	2.3	2.3	2.4	2.9	3.0	3.0	3.3	4.8	5.7	6.2	6.4	6.3	6.6	7.2	7.2	7.6	7.6	7.6	7.7	7.8			
33	Climate change levy†	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	1.1	1.5	1.8	1.9	1.9	1.9	2.0	1.7	1.9	2.1	1.9	1.9	1.9	1.9	2.0			
34	Landfill tax*	0.6	0.7	0.7	0.8	0.9	1.0	0.8	1.1	1.1	1.1	1.2	1.1	0.9	0.9	0.8	0.7	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6			
35	Aggregates levy	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5			
36	Betting and gaming duties	1.3	1.4	1.4	1.4	1.5	1.5	1.4	1.5	1.6	1.7	2.1	2.1	2.7	2.9	3.0	2.8	3.1	3.1	3.4	3.4	3.5	3.6	3.7	3.8	3.9			
37	Customs duties and levies	1.9	2.2	2.3	2.3	2.5	2.7	2.6	3.0	2.9	2.9	2.9	3.0	3.1	3.4	3.4	3.4	3.3	3.0	4.8	5.6	5.3	5.1	5.2	5.1	5.2			
38	Temporary bank payroll tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
39	Bank levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	1.6	2.2	2.7	3.4	3.0	2.8	2.6	2.5	2.3	1.5	1.3	1.3	1.3	1.3	1.3	1.3			
40	Bank surcharge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.8	1.9	2.0	1.4	2.4	2.4	1.2	0.9	0.9	0.9	0.9			
41	Digital services tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.6	0.6	0.6	0.7	0.7	0.8	0.8			
42	Diverted profits tax†	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0	0.1	0.2	0.0	0.0	-0.1	0.0	0.0	0.0	0.0			
43	Apprenticeship levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	2.7	2.8	2.9	3.2	3.5	3.7	3.8	3.9	4.0	4.1			
44	Soft drinks industry levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4			
45	Plastic packaging tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.2	0.2	0.2			
46	Residential property developer tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.1			
47	Energy profits levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3	5.7	5.3	4.2	3.7	3.4			
48	Electricity generator levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2	2.7	2.1	2.7	2.4			
49	Swiss capital tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.5	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
50	<b>Total HMRC</b>	<b>348.0</b>	<b>375.8</b>	<b>402.9</b>	<b>428.7</b>	<b>456.1</b>	<b>445.5</b>	<b>414.9</b>	<b>453.7</b>	<b>471.8</b>	<b>473.2</b>	<b>492.3</b>	<b>513.4</b>	<b>532.7</b>	<b>567.6</b>	<b>592.1</b>	<b>620.4</b>	<b>633.7</b>	<b>584.7</b>	<b>716.2</b>	<b>787.6</b>	<b>803.9</b>	<b>841.7</b>	<b>872.3</b>	<b>909.0</b>	<b>950.3</b>			
51	Vehicle excise duties	4.7	4.7	5.0	5.1	5.4	5.6	5.7	5.8	5.9	6.0	6.1	5.9	5.7	5.8	6.2	6.5	7.0	6.9	7.1	7.4	8.0	8.0						

So you can see in the table above that in 2021/2022 total HMRC tax revenue was 716.2 billion (given as a forecast) and when added to other sources of revenue from the government, some of which are taken to be taxes such as vehicle excise duties, business rates, council tax and also other non-tax elements such as interest and dividends, gross operating surplus and other receipts and taxes this gives a total of 917.7 billion.

The forecast for total government revenue for the next tax financial year of 2022 – 2023 was £1019.7 billion that is similar to the actual eventual revenue of £1027 billion. As you will note approximately £104 billion of that overall figure is attributed to “other receipts”.

So you can see in the government’s own revenue composition spreadsheet looking at the “Composition National Accounts Total Revenues” spreadsheet we can see an upward trend in gross figures and in % of GDP figures too as shown in the slide.

Financial year	Total government revenue		Total tax revenue		GDP
	<i>£billion (nominal)</i>	%GDP	<i>£billion (nominal)</i>	%GDP	<i>£billion (nominal)</i>
1988-89	202.8	35.5	177.7	31.1	570.6
1989-90	218.8	34.7	193.2	30.7	630.3
1990-91	230.5	33.9	206.6	30.4	680.0
1991-92	239.8	33.5	216.8	30.3	716.1
1992-93	237.1	32.1	214.8	29.1	738.4
1993-94	244.9	31.3	221.8	28.3	782.8
1994-95	264.7	32.2	241.0	29.3	821.5
1995-96	287.5	33.2	260.6	30.1	866.2
1996-97	299.7	32.4	273.9	29.6	924.5
1997-98	334.2	34.6	301.0	31.2	965.5
1998-99	355.6	35.2	321.2	31.8	1010.7
1999-00	379.8	35.9	344.3	32.5	1058.5
2000-01	406.4	36.5	368.5	33.1	1114.3
2001-02	412.2	35.8	374.5	32.5	1153.0
2002-03	417.7	34.6	380.2	31.4	1209.0
2003-04	452.0	35.4	411.7	32.3	1275.3
2004-05	484.3	36.1	442.2	32.9	1342.3
2005-06	521.5	36.7	473.2	33.3	1421.0
2006-07	552.2	37.1	502.3	33.8	1488.0
2007-08	583.9	37.3	528.8	33.7	1567.0
2008-09	569.1	35.9	510.2	32.2	1583.4
2009-10	564.0	36.1	503.9	32.3	1561.3
2010-11	603.4	37.0	540.8	33.2	1630.5
2011-12	624.9	37.4	559.6	33.5	1671.4
2012-13	636.8	36.9	565.8	32.8	1727.0
2013-14	663.8	36.8	589.6	32.6	1806.1
2014-15	690.6	36.8	611.7	32.6	1875.9
2015-16	714.1	36.9	633.8	32.7	1937.6
2016-17	757.6	37.4	676.5	33.4	2022.9
2017-18	780.7	37.1	700.5	33.3	2102.9
2018-19	813.4	37.4	735.2	33.8	2177.2
2019-20	826.4	36.7	743.5	33.1	2249.4
2020-21	793.4	38.0	709.5	34.0	2085.2
2021-22	917.7	39.3	828.8	35.5	2337.8
2022-23	1019.7	40.7	922.1	36.8	2504.4
2023-24	1057.6	41.1	950.5	36.9	2573.2
2024-25	1103.7	41.4	995.6	37.3	2668.7
2025-26	1136.9	41.2	1029.6	37.3	2759.3
2026-27	1183.7	41.5	1073.2	37.7	2849.7
2027-28	1230.3	41.7	1113.4	37.7	2949.8

21-22 £828.8 billion Tax rev / £2,337.8 Billion (GDP) = 35.5%

22-23 (Forecast) £922.1 billion Tax Rev / £2,504.4 Billion (GDP) = 36.8%

23-24 (Forecast) £950.5 billion Tax Rev / £2,573 Billion (GDP) = 36.9%

24-25 (Forecast) £995.6 billion Tax Rev / £2668.7 Billion (GDP) = 37.3%

25-26 (Forecast) £1029.6 billion Tax Rev / £2759.3 Billion (GDP) = 37.3%

26-27 (Forecast) £1073.2 billion Tax Rev / £2849.7 Billion (GDP) = 37.7%

So from 2021 – 2022 there is an increase in tax in gross figures of approximately £94 billion to £922 billion in 22/23. Beyond that it is projected to rise by approximately 28 billion between 2023 and 2024 and then following year on year increases by approximately £45 billion, then £34 billion and finally approximately a further £50 billion increase to take it to the tax revenue/GDP ratio of 37.7% in 26/27 and beyond that in 27/28.



Current receipts, by tax and year																										
Share of GDP	CODE	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	Forecast 2027-28	
Digital services tax		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Energy profits levy		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Electricity generator levy		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Other taxes <sup>l</sup>		0.3%	0.3%	0.3%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	
<i>of which:</i>																										
Northern Ireland domestic rates	NSFA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Northern Ireland business rates	NSEZ	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Consumer Credit Act fees	CUDB	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other levy-funded-body receipts	LITK	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Camelot payments to National Lottery																										
Distribution Fund	LIYH	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Betting levy	DW9E	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Rail franchise premia	LITT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Passport fees	E8A6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Plastic packaging tax		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Immigration skills surcharge	CSH8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Visa and citizenship fees	FT9Z	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Other small taxes <sup>k</sup>		0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	
<b>National accounts taxes</b>	<b>GCSU</b>	<b>32.9%</b>	<b>33.3%</b>	<b>33.8%</b>	<b>33.7%</b>	<b>32.2%</b>	<b>32.3%</b>	<b>33.2%</b>	<b>33.5%</b>	<b>32.8%</b>	<b>32.6%</b>	<b>32.6%</b>	<b>32.7%</b>	<b>33.4%</b>	<b>33.3%</b>	<b>33.8%</b>	<b>33.1%</b>	<b>34.0%</b>	<b>35.5%</b>	<b>36.8%</b>	<b>36.9%</b>	<b>37.3%</b>	<b>37.3%</b>	<b>37.7%</b>	<b>37.7%</b>	
Interest and dividends	JW2L + JW2M	1.0%	1.0%	1.0%	1.1%	1.0%	0.9%	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	1.2%	1.0%	1.3%	1.6%	1.4%	1.3%	1.3%	1.3%	
Gross operating surplus	JW2K	2.3%	2.5%	2.5%	2.6%	2.9%	3.1%	3.0%	3.0%	3.1%	3.1%	3.1%	3.0%	3.0%	2.8%	2.6%	2.6%	2.9%	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Other receipts and adjustments <sup>l</sup>		-0.1%	-0.1%	-0.1%	-0.1%	-0.2%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
<b>Current receipts</b>	<b>JW2O</b>	<b>36.1%</b>	<b>36.7%</b>	<b>37.1%</b>	<b>37.3%</b>	<b>35.9%</b>	<b>36.1%</b>	<b>37.0%</b>	<b>37.4%</b>	<b>36.9%</b>	<b>36.8%</b>	<b>36.8%</b>	<b>36.9%</b>	<b>37.4%</b>	<b>37.1%</b>	<b>37.4%</b>	<b>36.7%</b>	<b>38.0%</b>	<b>39.1%</b>	<b>40.7%</b>	<b>41.1%</b>	<b>41.4%</b>	<b>41.2%</b>	<b>41.5%</b>	<b>41.7%</b>	
<i>Memo:</i>																										
North Sea revenues <sup>m</sup>		0.4%	0.7%	0.6%	0.5%	0.8%	0.4%	0.5%	0.7%	0.4%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.4%	0.4%	0.4%	0.3%	0.2%	0.2%	

So the tax burden is going up, albeit not at the catastrophic levels often portrayed in the media, (in gross or relative terms) but the important question is... why?

<https://news.sky.com/story/tory-public-service-pledges-and-corrective-measures-after-austerity-pushed-tax-burden-up-12972281>

29 Sep 2023

**“The Institute for Fiscal Studies' analysis that the UK's tax burden is the largest since the Second World War puts into historical context what has been clear since Boris Johnson became prime minister.**

**Taxes have been rising sharply, either by stealth or declared policy, to keep up with election promises and demand for public services starved of investment during the previous decade.**

Calculated as a share of GDP the tax take will have risen to 37% by the next election, a 4% increase since 2019 and a figure not seen since the 1940s.

So the fact is that **in gross figures** terms the tax receipts are increasing but, and it is a big BUT, that is **only half the picture** for the following reasons:

(1) Population growth: Figures from <https://www.worldometers.info/world-population/uk-population/> show that population growth has increased in 2019 at 66,778,659 to current figures in 2024 of 67,961,439 – so in that five year period an increase of 1,118,780.

More importantly perhaps are the figures from ONS statistics shows the following:

the total income tax liability in 2122 was 217,000,million i.e. 217 billion

total income tax liability in 22/23 was 243 billion

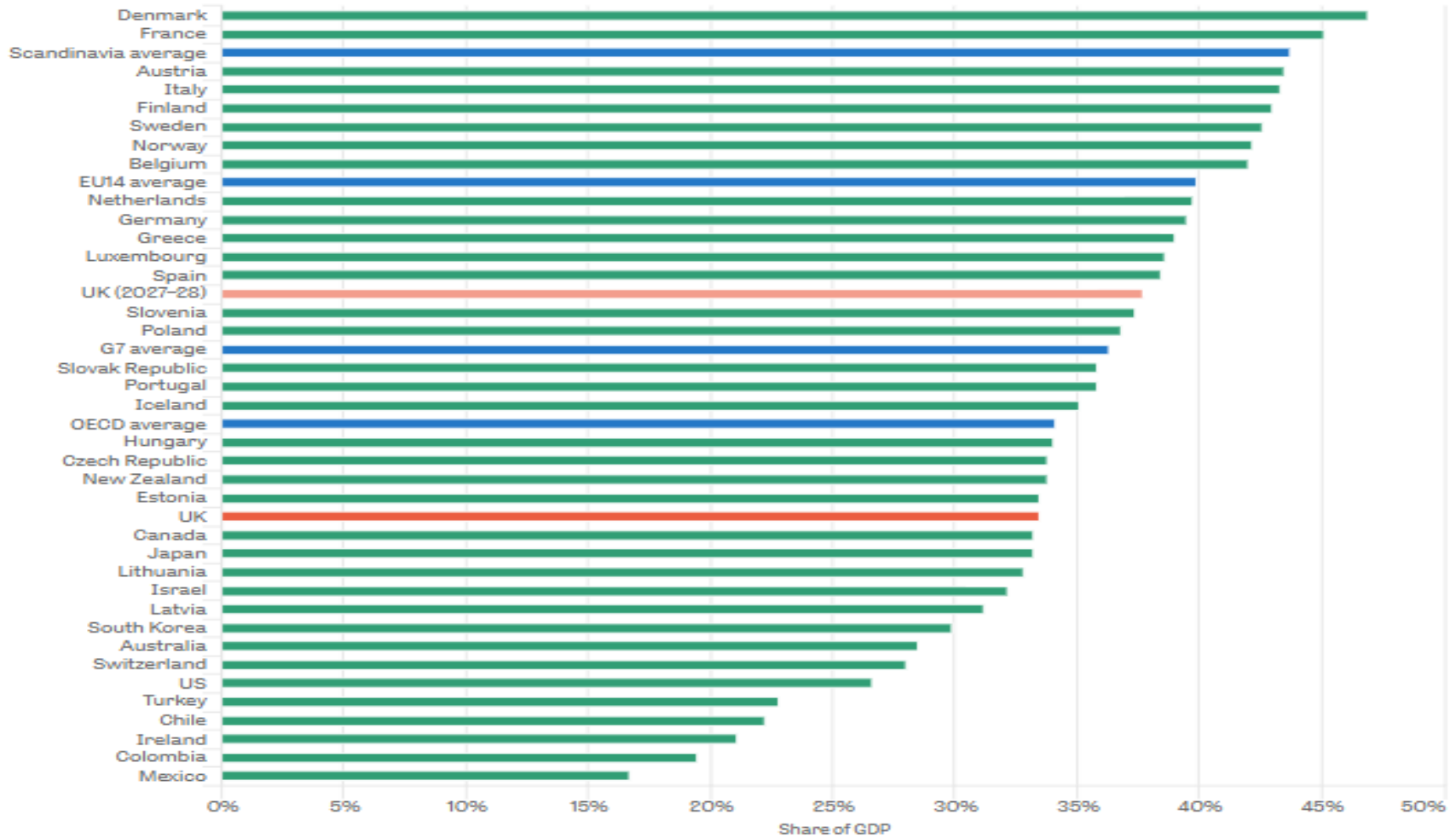
total income tax liability in 23/24 is estimated to be 265 billion

in other words there are more taxpayers paying more tax and although the figures do show that the tax burden has gone up this must be at least in part reflected by the fact that there are more taxpayers paying more tax. As such to portray it as simply that the tax burden has gone up in relation to each individual is not necessarily the complete picture.

(2) A further mitigating factor to counter the argument of the increased tax burden is that to an extent these statistics are all relative and so a closer look should be taken at other countries around the world to see where the UK stands.

# Total tax revenue in OECD countries as a share of GDP, 2021

[Data and more](#)



You will see the UK's position in regard to 2021 figures is at approx. 34 %.

Beyond that the projection for 2027/2028 is the second red line (heading up the table) which shows approximately 37.7%. (This figure will be familiar to you from the previous slides in regard to ratio of tax revenue to GDP).

So the point is that in general terms the UK is about 2/3 of the way down in this OECD country graph, in regard to its tax revenue ratio to GDP and also although there has been an increase in gross figures in terms tax revenue look, as politicians have a habit of saying, "**look**" .....there is the fact that there are more individuals in the country earning revenue and hence the tax revenue will be increasing. Additionally, there are other factors as detailed in the office for budget responsibility's article: "The U.K.'s tax burden in historical and international context" from March 2023.

This can be found at <https://obr.uk/box/the-uks-tax-burden-in-historical-and-international-context/>

**Between 2005 to 2020**, the UK tax burden remained relatively stable, as the rate of VAT was raised but the income tax personal allowance was made more generous. Other high-income economies, particularly Japan, Canada and France, saw growth in their tax burdens. This widened the gap between the tax burdens of the UK and rest of the G7 to 4.4 per cent of GDP and the EU14 to 7.2 per cent of GDP.

While tax-to-GDP ratios remained remarkably stable across high-income economies during the pandemic year of 2020 (as tax revenues and GDP fell to similar degrees), the average tax burden rose sharply in 2021. This was in large part thanks to taxes on corporate incomes as profits recovered more quickly than GDP in the wake of the pandemic. Growth in the UK's tax burden in 2021 (1.4 per cent of GDP) was above the advanced-economy average (0.6 per cent of GDP). In the G7, only Germany saw a larger rise than the UK in 2021 at 1.6 per cent of GDP.

## **(2) So now to the next question which is can the UK afford to pay more tax?**

We have already seen there are numerous types of tax revenue including income tax on individuals, national insurance contributions for individuals, capital gains tax, corporation tax and so on.

Let's focus on income tax and national insurance contributions which as you will see in the revenue composition spreadsheet which can be found at :

<https://ifs.org.uk/taxlab/taxlab-data-item/ifs-revenue-composition-spreadsheet>

You will see there that income tax for 21/22 was at the time this was compiled by the IFS was estimated at £220.6 billion whilst the forecast for 22/23 was £248.2 billion. So quite a substantial portion of the approximately currently £900 billion HMRC tax revenue take year-on-year

So if we look at the figures from the office for National statistics spreadsheet:

**“Table 2.5 Income Tax liabilities by Income Range for 2021 to 2022”** you can see their various statistics of interest, so for example looking at the first line you will see that for 2021/2022 for a range of total income from £12,570 to £15,000 the total number of income tax payers was 3,130,000 earning a total income of 43 billion and with a total income tax liability of £664 million. The average amount of income tax paid for persons earning an average of £229 Income tax and £114 National insurance

<https://www.gov.uk/government/statistics/income-tax-liabilities-by-income-range>

See the figures for 2023/2024 as shown below:

Total number of Income Tax payers - in thousands	Total income - in millions	Total Income Tax liability - in millions	Average rate of Income Tax
2,770	38,000	611	1.6%
5,890	102,000	4,960	4.8%
10,100	249,000	22,200	8.9%
10,200	393,000	48,500	12.3%
5,320	347,000	65,300	18.8%
864	103,000	30,500	29.6%
253	42,900	14,700	34.2%
313	91,000	34,800	38.3%
57	38,100	15,500	40.8%
19	25,200	10,300	40.7%
9	45,300	18,000	39.7%
35,900	1,480,000	265,000	18%

You can find all of these following figures for Income Tax and NIC by using the calculator at:

<https://www.tax.service.gov.uk/estimate-pay-take-home-pay/your-pay>

There is also another very comprehensive and detailed set of calculations for any salary which can be found at <https://www.uktaxcalculators.co.uk/>

**Salary can be inputted and uktaxcalculators provides a detailed breakdown of Gross Pay, the amount of Tax Free Allowance available (not all salaried employees benefit from the full £12,570 personal tax allowance as the allowance is reduced by £1 for every £2 of salary above £100,000)**



The information and further the table below considers the following breakdown of information for each tax bracket:

**Reasonable endeavours have been made by me to ensure that the figures are accurate. I am a solicitor and have taught accounts and basic tax on Legal Practice Courses in the past. I deal with commercial property and private acquisitions. Although I have good basic knowledge of tax matters I am not a tax specialist and so I cannot guarantee the absolute accuracy of the calculations below.**

**Tax bracket e.g. £12,570 to £15,000**

- (1) Total number of tax payers, for the income bracket of £12,570 to £15,000 this would be 2,770,000.
- (2) Total income tax receipts = for the income bracket of £12,570 to £15,000 this would be 38,000,000,000 i.e. 38 billion
- (3) Average income for each tax bracket. e.g. for the income bracket of £12,570 to £15,000 this would be £38 billion divided by 2,770,000 which is **£13,718**.
- (4) Tax paid on £13,718. In this case it would be 13,718 - £12,570 (personal tax allowance is deducted) = £1,148  
 $£1,148 \times 20\% = £229$ .
- (5) Tax payable if the income tax rate was increased by 1%: In this case it would be  $£1,148 \times 21\% = £241$ .
- (6) Difference between tax at current rate and increased rate which in this case would be  $£241 - £229 = £12$ .
- (7) Difference in tax receipt for each income bracket multiplied by the number of payers in that income bracket. In this case  $£2,770,000 \times £12 = £33,461,600$
- (8) **Summary:** In this case if the total tax percentage was increased by 1% for those whose income in the range of £12,750 to £15,000, based on a calculation of the average (mean) figure for the income, that would result in an increase in the overall income tax receipts of £33.46 million.

(9) Income net of tax on current figures £13,718 – £229 = £13,489. Note 1: due to NIC change from 6 Jan 24 to reduce say Class 1 NICs from 12% to 10% this would result in NIC of approx. £114 rather than £138 but this would need to be apportioned as 6 Jan 24 sits within the tax year for individuals of 6 April to 5 April for each FY. Update: Note 2: Following the budget on 6 March 2024 National Insurance Contribution percentage rate between Primary Threshold (£12,576 per year / £1,048 per month) and Upper Earnings Limit (£50,268 / £4,189 per month) from 2024 to 2025 is 8%. Above the Upper Earnings Limit it is 2%.

As such NIC for anyone on a salary of £13,398 per year is approximately £92 per year.

(10) Income net of tax based on 1% increase in income tax rates. £13,477.

Based on rates for Income tax and NIC as at end of April 24 for anyone on a salaried income of £13,718 total the estimated take home pay per year, after tax and National Insurance is £13,398 per year or £257 per week.

If the income tax rate was raised by 1% from 20% to 21% the take home pay would be reduced by approximately 25 pence per week.

**HMRC gov.uk calculations for income tax and national insurance contributions for the year for average salary for anyone in the £12,570 to £15,000 salary spread (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£13,398.36 a year**

**Based on your answers we estimate  
your yearly take-home pay to be:**

Income Tax	£227.80
National Insurance	£91.84
<b>Total tax to pay</b>	<b>£319.64</b>

**How we calculate your yearly  
results:**

Your pay	£13,718 (you told us this)
Your tax-free allowance is	£12,570
<b>Your taxable pay is</b>	<b>£1,148</b>

**HMRC gov.uk calculations for income tax and national insurance contributions for the year for average salary for anyone in the £12,570 - £15,000 salary spread. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£257.66 a week**

**Based on your answers we estimate  
your weekly take-home pay to be:**

Income Tax	£4.38
National Insurance	£1.77
<b>Total tax to pay</b>	<b>£6.15</b>

**How we calculate your weekly  
results:**

Your pay	£263.81 (you told us this)
Your tax-free allowance is	£241.73
<b>Your taxable pay is</b>	<b>£22.08</b>

<p>(1) <b>£15,000 - £20,000</b></p> <p>(2) Total number of taxpayers in this bracket is 5,890,000</p> <p>(3) Total income received from all income earners in this bracket is £102 billion</p> <p>(4) Average income for those in this tax bracket <math>(102,000,000,000 \div 5,890,000) = \mathbf{£17,317}</math></p> <p>(5) Tax paid on £17,317 is as follows: first £12,570 = £0, £12,570 to £17,317 equals £4,747 and £4,747 multiplied by 20% equals £949.</p> <p>(6) Tax payable if income rate was increased by 1% would be £4,747 x 21% which is £996</p> <p>(7) As such difference in income tax at 21% and 20% is 996 - £949 = £47</p> <p>(8) Difference in tax receipt for increase in income tax of £47 per person (multiplied by</p>	<p>(9) Summary: in this case a total income tax percentage increase of 1% (or one penny in the pound) would lead to an increase in overall tax receipts of <b>£0.276 billion</b></p> <p>(10) Income net of tax on current figures would be £17,317 less £949 = £16,368.</p> <p>Following the budget on 6 March 2024 National Insurance Contribution percentage rate between Primary Threshold (£12,576 per year / £1,048 per month) and Upper Earnings Limit (£50,268 / £4,189 per month) from 2024 to 2025 is 8%. Above the Upper Earnings Limit it is 2%. As such NIC for anyone on a salary of £17,317 per year is £378 per year.</p>
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number of payers in that bracket). In this case it would be 5,890,000 multiplied by £47 = 276,830,000

For this average salary of £17,317 per year tax and national insurance deducted would be £949 and £378 respectively per year, leaving take home pay, per year, of £15,990

(11) Income net of tax on figures based on 1% increase in income tax rates would be £17,317 - £996 = £16,321 (also having deducted approx' £378 for national insurance contributions this result in £15,943 per annum.

Disposable income after income tax and NIC deduction = £15,990 / 52 = £307.50 per week

Or, if tax increased to 21%, it would be £15,943 /52 = £306 per week

**HMRC gov.uk calculations for income tax and national insurance contributions for the year for average salary for anyone in the £15,000 - £20,000 salary bracket (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£15,989.64 a year**

**Based on your answers we estimate  
your yearly take-home pay to be:**

Income Tax	£947.60
National Insurance	£379.76
<b>Total tax to pay</b>	<b>£1,327.36</b>

**How we calculate your yearly  
results:**

Your pay	£17,317 (you told us this)
Your tax-free allowance is	£12,570
<b>Your taxable pay is</b>	<b>£4,747</b>



HMRC gov.uk calculations for income tax and national insurance contributions for one week for average salary for anyone in the £15,000 - £20,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)

Your estimated take-home pay for 2024 is **£307.50 a week**

**Based on your answers we estimate your weekly take-home pay to be:**

Income Tax	£18.22
National Insurance	£7.30
<b>Total tax to pay</b>	<b>£25.52</b>

**How we calculate your weekly results:**

Your pay	£333.02 (you told us this)
Your tax-free allowance is	£241.73
<b>Your taxable pay is</b>	<b>£91.29</b>

- (1) **£20,000-£30,000** income bracket
- (2) Total number of taxpayers in this bracket 10,100,000
- (3) Total income received from all persons in this bracket is £249,000 million ie £249 billion
- (4) Average income for those in this tax bracket (249,000,000,000 ÷ 10.1 million) is **£24,653**.
- (5) Tax payable on £24,653 is as follows:
  - first £12,570 equals £0
  - £12,570 to £24,653 equals £12,083
  - £12,083 multiplied by 20% equals £2,416
- (6) If tax rate was increased by 1% the amount of tax would rise to £2537
- (7) i.e. a difference of **£121** between that and taxes at 20%
- (8) So the difference in tax receipt overall for a 1% increase in tax rate for all income earners in this bracket would be £121 multiplied by 10.1 million which is equal to 1.2 billion

(9) So in summary the extra tax raised by increasing the tax rate by 1% (or one penny in the pound) is **£1.22 billion**.

(10) The income, net of tax, based on current income tax rates would be approximately £24,653 - £2,416 = £22,237 per annum. Following the budget on 6 March 2024 National Insurance Contribution percentage rate between Primary Threshold (£12,576 per year / £1,048 per month) and Upper Earnings Limit (£50,268 / £4,189 per month) from 2024 to 2025 is 8%. Above the Upper Earnings Limit it is 2%. As such NIC for anyone on a salary of £24,653 per year is £965 per year.

For this average salary of £24,652 per year tax and national insurance deducted would be £2,416 and £965 respectively per year, leaving take home pay, per year, of £21,272

(11) The income net of income tax should it be a 1% increase in tax would be £24,653 - £2537 = £22,116

Further deduct National Insurance per year of approx. £965 to give a yearly take home pay of

$£24,652 - £2,416 - £965 = £21,271$  per year or  
 $£21,271 / 52 = £409$  per week.

Alternatively if income tax raised by 1p in the £  
this would result in approximate take home pay  
as follows:

$£24,652 - £2,537 - £965 = £21,150$  per year or  
 $£21,150 / 52 = £406.73$  per week.

**HMRC gov.uk calculations for income tax and national insurance contributions for one year for average salary for anyone in the £20,000 - £30,000 salary bracket (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home  
pay for 2024 is  
**£21,271.56 a year**

**Based on your answers we  
estimate your yearly take-home  
pay to be:**

Income Tax	£2,414.80
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National Insurance	£966.64
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<b>Total tax to pay</b>	<b>£3,381.44</b>
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**How we calculate your yearly  
results:**

Your pay	£24,653 (you told us this)
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Your tax-free allowance is	£12,570
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<b>Your taxable pay is</b>	<b>£12,083</b>
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**HMRC gov.uk calculations for income tax and national insurance contributions for one week for average salary for anyone in the £20,000 - £30,000 salary bracket (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home  
pay for 2024 is  
**£409.07 a week**

**Based on your answers we  
estimate your weekly take-  
home pay to be:**

Income Tax	£46.44
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National Insurance	£18.59
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<b>Total tax to pay</b>	<b>£65.03</b>
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**How we calculate your weekly  
results:**

Your pay	£474.10 (you told us this)
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Your tax-free allowance is	£241.73
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<b>Your taxable pay is</b>	<b>£232.37</b>
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<p>(1) <b>£30,000 - £50,000</b> = income tax bracket</p> <p>(2) Total number of taxpayers in this bracket is 10.2 million.</p> <p>(3) Total income for all tax payers in this bracket is £393 billion.</p> <p>(4) As such average income for those in this tax bracket would be <math>£393,000,000,000 \div 10.2 \text{ million}</math> i.e. average of <b>£38,529</b> per person.</p> <p>(5) Tax payable on £38,529 is as follows:  first £12,570 equals £0  £12,570 to 38,529 = £25,959 tax at 20% equals £5,191</p> <p>(6) If tax rate was increased by 1% the amount of tax would rise to £5,451.</p> <p>(7) The difference in tax between 20% rate in 21% rate is £5451 - £5191 is £260</p> <p>(8) If the tax rate was increased by 1% the amount of tax produced would rise to £260 multiplied by 10.2 million equals £2.6 billion</p>	<p>(9) In summary an increase of 1% in tax rate would for this income tax bracket resulted in an increase tax revenue for income tax of <b>£2.65 billion</b>.</p> <p>(10) The income net of tax based on the current income tax rates would be approximately £38,529 - £5191 which = £33,338.  (Note that National Insurance contributions would be approximately £2076 and as such the income net of income tax and national insurance contributions would be <math>£33,338 - £2,076 = £31,262</math> per annum</p> <p>(11) The income net of income tax should it be increased by 1% would be £38,529 minus £5451 which is £33,078 at approx. £2,076 so disposable income <math>£38,529 - £5,191 - \text{NIC of approx. } £2,076 = £31,262</math> per year or <math>£31,262 / 52 =</math>  Disposable income after income tax and NIC deduction = £601 per week</p> <p>After increase in tax to 21% this would be <math>£38,529 - £5451 - £2,076 = 31002 / 52 = £596 /</math> week</p>
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**HMRC gov.uk calculations for income tax and national insurance contributions for one year for average salary for anyone in the £30,000 - £50,000 salary bracket (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**



Your estimated take-home  
pay for 2024 is  
**£31,262.28 a year**

**Based on your answers we  
estimate your yearly take-home  
pay to be:**

Income Tax	£5,190
National Insurance	£2,076.72
<b>Total tax to pay</b>	<b>£7,266.72</b>

**How we calculate your yearly  
results:**

Your pay	£38,529 (you told us this)
Your tax-free allowance is	£12,570
<b>Your taxable pay is</b>	<b>£25,959</b>

**HMRC gov.uk calculations for income tax and national insurance contributions for a week for average salary for anyone in the £30,000 - £50,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home  
pay for 2024 is  
**£601.19 a week**

**Based on your answers we  
estimate your weekly take-  
home pay to be:**

Income Tax	£99.81
National Insurance	£39.94
<b>Total tax to pay</b>	<b>£139.75</b>

**How we calculate your weekly  
results:**

Your pay	£740.94 (you told us this)
Your tax-free allowance is	£241.73
<b>Your taxable pay is</b>	<b>£499.21</b>

(1) **£50,000 - £100,000** income tax bracket.

(2) Total number of Taxpayers in this bracket is 5,320,000

(3) Total income of those in this tax bracket is £347 billion

(4) As such average income for those in this tax bracket would be  $\text{£}347,000,000,000 \div 5,320,000$  i.e. an average of **£65,225**

(5) Tax payable on the £65,225 is as follows:

$\text{£}12,570 \times 0\% = 0$

$\text{£}37,700 (50,270 - 12,570) \times 20\% = \text{£}7540$

$\text{£}65,225 - \text{£}50,270 = 14,955 \times 40\% = \text{£}5982$

Total tax = **£13,522**

(6) If tax rate was increased by 1% then total tax liability would rise to £37,700 multiplied by 21% equals £7,917

$\text{£}14,955 \text{ multiplied by } 41\% = \text{£}6,131$

Total = **£14,048**

(7) The difference in tax payable for 1% increase in tax would be  $\text{£}14,048 - \text{£}13,522 = \text{£}526$

(8) If the tax rate was increased by 1% then the additional income tax raised for this income tax bracket would be 5,320,000 multiplied by £526 = **£2.798 billion**

(9) In summary the additional income tax raised by 1p in the pound (i.e. by 1%) would be sufficient to raise an additional **£2.798 billion**

(10) An individual's take-home pay after income tax would be  $\text{£}65,225 - 13,522 = \text{£}51,703$ . Then deducting National Insurance of £3,315 would leave £48,391 per year as take home pay.

(11) This would result in a weekly income of =  $\text{£}48391/52 = \text{£}930$  per week

If income tax rates increased by 1p in the pound then disposable income would be  $\text{£}65,225 - \text{£}14,048 - \text{NIC of } \text{£}3,315 = \text{£}47,862$  or £920 per week.

**HMRC gov.uk calculations for income tax and national insurance contributions for a year for average salary for anyone in the £50,000 - £100,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay for 2024 is **£48,391.50 a year**

**Based on your answers we estimate your yearly take-home pay to be:**

Income Tax	£13,518.40
National Insurance	£3,315.10
<b>Total tax to pay</b>	<b>£16,833.50</b>

**How we calculate your yearly results:**

Your pay	£65,225 (you told us this)
Your tax-free allowance is	£12,570
<b>Your taxable pay is</b>	<b>£52,655</b>

**HMRC gov.uk calculations for income tax and national insurance contributions for a week for average salary for anyone in the £50,000 - £100,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home  
pay for 2024 is  
**£930.61 a week**

**Based on your answers we  
estimate your weekly take-  
home pay to be:**

Income Tax	£259.97
National Insurance	£63.75
<b>Total tax to pay</b>	<b>£323.72</b>

**How we calculate your weekly  
results:**

Your pay	£1,254.33 (you told us this)
Your tax-free allowance is	£241.73
<b>Your taxable pay is</b>	<b>£1,012.60</b>



<p>(1) <b>£100,000-£150,000</b> income tax bracket</p> <p>(2) Total number of taxpayers in this bracket 864,000 people</p> <p>(3) Total income in this tax bracket is 103 billion</p> <p>(4) As such average income for those in this tax bracket would be <math>£103,000,000,000 \div 864,000 =</math> <b>£119,212</b></p> <p>(5) Tax payable on £119,212 is as follows: Tax on first £2,964 = £0. Why £2,964? Well an individual's personal allowance of £12,570 max is reduced by £1 for every £2 over £100,000 ie if £19,212 over £100,000 (as is the case here) then the Personal Allowance is reduced by £9,606 so personal allowance becomes <math>£12,570 - £9,606 =</math> £2,964 Tax on first £2,964 = £0 tax payable on £37,700 at 20% equals £7,540 tax payable on next amount (£119,212 less £2,964 + £37,700 = £78,548) which at a 40% rate <b>£31,419</b> <b>Total = £38,959</b></p> <p>(6) If tax was increased by 1% then this would lead to an increase in tax of approximately £1,162</p>	<p>(9) In summary the additional income tax raised by increasing the rate by 1p in the pound (i.e. by 1%) would be sufficient to raise an additional <b>£1.0039 billion</b>.</p> <p>(10) An individual's take-home pay after income tax for this bracket would be £119,212 - £38,959 which gives disposable income of £80,253 before national insurance contribution deductions of £4,394 which, after income tax and national insurance, leaves a total disposable income for the year of £75859 or <math>£75,859 / 52 =</math> £1458 per week</p> <p>(11) if there was to be an income tax increase of 1% then the take-home pay after income tax and national insurance of £40,121 and £4,394 would be £78636.</p> <p><b>Disposable income after income tax and NIC deduction = <math>£74697 / 52 =</math> £1,436 per week</b></p>
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calculated as follows – calculated as follows – No tax on first £2,964. £37,700 multiply by 21% = £7,917, £78,548 multiplied by 41% equals £32204. Total **£40,121**

(7) This means that an increase of 1% would result for each individual in an increase of tax of approximately £1162

(8) If the tax rate was increased by 1% then the additional income tax raised for this income tax bracket would be 864,000 multiplied by £1162 which equals 1.004 billion

**HMRC gov.uk calculations for income tax and national insurance contributions for a year for average salary for anyone in the £100,000 - £150,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

**Note calculated using tax code 296T as only part (approx. £2960 of the personal allowance is available so code used introduces “T” meaning the personal allowance takes into account other factors.**

Your estimated take-home pay  
for 2024 is  
**£75,859.96 a year**

) is signed in  
**Based on your answers we estimate  
your yearly take-home pay to be:**

Income Tax £38,957.20

National Insurance £4,394.84

**Total tax to pay £43,352.04**

### **How we calculate your yearly results:**

Your pay £119,212 (you told us this)

Your tax-free  
allowance is £2,960

**Your taxable pay is £116,252**

**HMRC gov.uk calculations for income tax and national insurance contributions for a week for average salary for anyone in the £100,000 - £150,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay for 2024 is  
**£1,532.77 a week**

**Based on your answers we estimate your weekly take-home pay to be:**

Income Tax	£675.25
National Insurance	£84.52
<b>Total tax to pay</b>	<b>£759.77</b>

**How we calculate your weekly results:**

Your pay	£2,292.54 (you told us this)
Your tax-free allowance is	£241.73
<b>Your taxable pay is</b>	<b>£2,050.81</b>

<p>(1) <b>£150,000-£200,000</b> is the income tax bracket</p> <p>(2) The total number tax payers in this bracket is 253,000</p> <p>(3) The total income for this bracket is 42,900 million</p> <p>(4) As such the average income would be 42,900 million ÷ 253,000 which gives an average income of £169,565</p> <p>(5) Tax payable on this average income of £169,565 will be as follows:</p> <p>up to £37,700 at 20% will give £7540 worth of tax the additional £87440 taking it up to the next ceiling of 125,140 is taxed at 40% giving a total figure of approximately £34976</p> <p>beyond that the remaining £44,425 is taxed at 45% rate giving £19,991. Giving <b>a total tax of £62,507.</b></p> <p>(6) If tax was increased by 1% then the tax on the average income of £169,565 would be £7,917 + £35850 + 20,435 giving a total tax of £64202</p> <p>(7) i.e. the 1% increase would lead to an additional tax amount of £1695</p>	<p>(9) in summary an increase in the income tax rate of 1p in the £ would lead to an increase in tax revenue of <b>£428 million or £0.428 billion</b></p> <p>(10) An individual's average take home pay on current tax rates would be £169,565 less income tax of approximately £62,507 = £107,058 Less NIC of £5,404 = £101,654 or £1954 per week.</p> <p>(11) If there was to be an income tax increase of 1% then the take-home pay after income tax and national insurance of £64202 and £5,404 would be £99989.</p> <p><b>Disposable income after income tax and NIC deduction = £99989/52 = £1922 per week.</b></p>

(8) This would lead to an additional tax revenue for the Exchequer of £1,318 multiplied by 253,000 giving a total of £3.335 billion	
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**HMRC gov.uk calculations for income tax and national insurance contributions for a year for average salary for anyone in the £150,000 - £200,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£101,655.85 a year**

**Based on your answers we estimate  
your yearly take-home pay to be:**

Income Tax	£62,507.25
National Insurance	£5,401.90
<b>Total tax to pay</b>	<b>£67,909.15</b>

**How we calculate your yearly  
results:**

Your pay	£169,565 (you told us this)
Your tax-free allowance is	£0
<b>Your taxable pay is</b>	<b>£169,565</b>



**HMRC gov.uk calculations for income tax and national insurance contributions for a week for average salary for anyone in the £150,000 - £200,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£1,954.93 a week**

**Based on your answers we estimate  
your weekly take-home pay to be:**

Income Tax	£1,202.06
National Insurance	£103.88
<b>Total tax to pay</b>	<b>£1,305.94</b>

**How we calculate your weekly  
results:**

Your pay	£3,260.87 (you told us this)
Your tax-free allowance is	£0
<b>Your taxable pay is</b>	<b>£3,260.87</b>

(1) **£200,000 - £500,000** is the income tax bracket

(2) The total number tax payers in this bracket is 313,000

(3) The total income for this bracket is £91 billion

(4) As such the average income would be £91 billion ÷ 313,000 which gives an average income of **£290,734**

(5) Tax payable on this average income of £290,734 will be as follows:

up to £37,700 at 20% will give £7540 worth of tax

the additional £87,440 taking it up to the next ceiling of £125,140 is taxed at 40% giving a total figure of approximately £34,976

beyond that the remaining £165,594 is taxed at 45% rate giving £74,517. Giving a **total tax of £117,033.**

(6) If tax was increased by 1% then the tax on the average income of £290,734 would be £7,540 + £35,850 + 76,173 giving a total tax of £119,563

(7) i.e. the 1% increase would lead to an additional tax amount of £2,530

(9) In summary an increase in the income tax rate of 1p in the £ would lead to an increase in tax revenue of **£791million or £0.791 billion**

(10) An individual's average take home pay on current tax rates would be 290,734 less income tax of approximately £117,033 = £173,701 Less NIC of £7825 = £165876 or £3189 per week.

(11) If there was to be an income tax increase of 1% then the take-home pay after income tax and national insurance of £119,563 and £7825 would be £163346.or £3141 per week

(8) This would lead to an additional tax revenue for the Exchequer of £2,530 multiplied by 313,000 giving a total of £7.91 billion	
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**HMRC gov.uk calculations for income tax and national insurance contributions for a year for average salary for anyone in the £200,000 - £500,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£165,875.42 a year**

**Based on your answers we estimate  
your yearly take-home pay to be:**

Income Tax	£117,033.30
National Insurance	£7,825.28
<b>Total tax to pay</b>	<b>£124,858.58</b>

**How we calculate your yearly  
results:**

Your pay	£290,734 (you told us this)
Your tax-free allowance is	£0
<b>Your taxable pay is</b>	<b>£290,734</b>

**HMRC gov.uk calculations for income tax and national insurance contributions for a week for average salary for anyone in the £200,000 - £500,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£3,189.91 a week**

**Based on your answers we estimate  
your weekly take-home pay to be:**

Income Tax	£2,250.64
National Insurance	£150.49
<b>Total tax to pay</b>	<b>£2,401.13</b>

**How we calculate your weekly  
results:**

Your pay	£5,591.04 (you told us this)
Your tax-free allowance is	£0
<b>Your taxable pay is</b>	<b>£5,591.04</b>

(1) £500,000 - £1,000,000 is the income tax bracket

(2) The total number of tax payers in this bracket is 57,000.

(3) The total income for this bracket is 38.1 billion.

(4) As such the average income would be 31.8 billion ÷ 57,000 which gives an average income of **£668,421**

(5) Tax payable on this average income of £668,421 will be as follows:

Up to £37,700 at 20% will give £7540 worth of tax

the additional £87440 taking it up to the next ceiling of 125,140 is taxed at 40% giving a total figure of approximately £34,976

beyond that the remaining £543,281 is taxed at 45% rate giving £244,476. Giving a total tax of **£286,992**

(6) If tax was increased by 1% then the tax on the average income of £668,421 would be £7,917+ £35,850 + 249,909 giving a total tax of **£293,299**

(9) In summary an increase in the income tax rate of 1p in the £ would lead to an increase in tax revenue of **£0.3954 billion**

(10) An individual's average take home pay on current tax rates would be £668,421 less income tax of approximately £286992 = £381,429 Less NIC of £15378 = £366051 per year or £7039 per week.

(11) If there was to be an income tax increase of 1% then the take-home pay after income tax and national insurance of £293,299 and £15378 would be £359744 per year or £359744/52 = £6918 per week.



<p>(7) i.e. the 1% increase would lead to an additional tax amount of tax taken of £6,307</p> <p>(8) this would lead to an additional tax revenue for the Exchequer of £6,307 multiplied by 57,000 giving a total of £359 million</p>	
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**HMRC gov.uk calculations for income tax and national insurance contributions for a year for average salary for anyone in the £500,000 - £1,000,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£366,049.53 a year**

**Based on your answers we estimate  
your yearly take-home pay to be:**

Income Tax	£286,992.45
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National Insurance	£15,379.02
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<b>Total tax to pay</b>	<b>£302,371.47</b>
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**How we calculate your yearly  
results:**

Your pay	£668,421 (you told us this)
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Your tax-free allowance is	£0
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<b>Your taxable pay is</b>	<b>£668,421</b>
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**HMRC gov.uk calculations for income tax and national insurance contributions for a week for average salary for anyone in the £500,000 - £1,000,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£7,039.41 a week**

**Based on your answers we estimate  
your weekly take-home pay to be:**

Income Tax	£5,519.09
National Insurance	£295.75
<b>Total tax to pay</b>	<b>£5,814.84</b>

**How we calculate your weekly  
results:**

Your pay	£12,854.25 (you told us this)
Your tax-free allowance is	£0
<b>Your taxable pay is</b>	<b>£12,854.25</b>

<p>(1) £1,000,000 - £2,000,000 is the income tax bracket</p> <p>(2) The total number tax payers in this bracket is 19,000</p> <p>(3) The total income for this bracket is 25.2 billion</p> <p>(4) As such the average income would be 25.2 billion ÷ 19,000 which gives an average income of <b>£1,326,315</b></p> <p>(5) Tax payable on this average income of £1,326,315 will be as follows:  up to £37,700 at 20% will give £7540 worth of tax the additional £87,440 taking it up to the next ceiling of 125,140 is taxed at 40% giving a total figure of approximately £34,976  beyond that the remaining £1,201,175 is taxed at 45% rate giving £540,528. Giving a total tax of <b>£583,044</b></p> <p>(6) if tax was increased by 1% then the tax on the average income of £1,326,315 would be 7,917 + £35850 + £552,540 giving a total tax of <b>£596307</b></p>	<p>(9) In summary an increase in the income tax rate of 1p in the £ would lead to an increase in tax revenue of <b>£0.252 billion</b></p> <p>(10) An individual's average take home pay on current tax rates would be £1,326,315 less income tax of approximately £583,044 = £743,271 Less NIC of £28536 = £714735 per year or £13,744 per week</p> <p>(11) If there was to be an income tax increase of 1% then the take-home pay after income tax and national insurance of £596,307 and £28536 would be £701,472 per year or £13,489 per week</p>

<p>(7) i.e. the 1% increase would lead to an additional tax amount of tax taken of <b>£13,263</b></p> <p>(8) this would lead to an additional tax revenue for the Exchequer of £13263 multiplied by 19,000 giving a total of £0.252 billion</p>	
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**HMRC gov.uk calculations for income tax and national insurance contributions for a year for average salary for anyone in the £1,000,000 - £2,000,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£714,733.35 a year**

**Based on your answers we estimate  
your yearly take-home pay to be:**

Income Tax	£583,044.75
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National Insurance	£28,536.90
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<b>Total tax to pay</b>	<b>£611,581.65</b>
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**How we calculate your yearly  
results:**

Your pay	£1,326,315 (you told us this)
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Your tax-free allowance is	£0
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<b>Your taxable pay is</b>	<b>£1,326,315</b>
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**HMRC gov.uk calculations for income tax and national insurance contributions for a week for average salary for anyone in the £1,000,000 - £2,000,000 salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**



Your estimated take-home pay  
for 2024 is  
**£13,744.87 a week**

**Based on your answers we estimate  
your weekly take-home pay to be:**

Income Tax	£11,212.40
National Insurance	£548.79
<b>Total tax to pay</b>	<b>£11,761.19</b>

**How we calculate your weekly  
results:**

Your pay	£25,506.06 (you told us this)
Your tax-free allowance is	£0
<b>Your taxable pay is</b>	<b>£25,506.06</b>

(1) £2,000,000 plus is the income tax bracket  
 (2) The total number tax payers in this bracket is 9,000  
 (3) The total income for this bracket is 45.3 billion  
 (4) As such the average income would be 45.3 billion ÷ 9,000 which gives an average income of **£5,033,333**  
 (5) Tax payable on this average income of £5,033,033 will be as follows:  
 up to £37700 at 20% will give £7540 worth of tax the additional £87440 taking it up to the next ceiling of 125,140 is taxed at 40% giving a total figure of approximately £34,976  
 beyond that the remaining £4,908,193 is taxed at 45% rate giving £2,208,686. Giving a total tax of **£2,251,202**  
 (6) If tax was increased by 1% then the tax on the average income of £5,033,333 would be 7,917+ £35850 + £2,257,768 giving a total tax of **£2,301,535**  
 (7) i.e. the 1% increase would lead to an additional tax amount of tax taken of £50,333

(9) Summary: Increase of income tax rates of 1% would lead to additional tax for this bracket of income of **£0.452 million**  
 (10) An individual's average take home pay on current tax rates would be £5,033,333 less income tax of approximately £2,251,202 = £2,782,131 Less NIC of £102,676 = £2,679,455 per year of £51,527 per week.  
 (11) If there was to be an income tax increase of 1% then the take-home pay after income tax and national insurance of £2,301,535 and £102,676 would be £2,629,122 per year or £50,560 per week.

(8) this would lead to an additional tax revenue for the Exchequer of £49,082 multiplied by 9,000 giving a total of £452 million	
--	--

**HMRC gov.uk calculations for income tax and national insurance contributions for a year for average salary for anyone in the £2,000,000 plus salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£2,679,452.89 a year**

**Based on your answers we estimate  
your yearly take-home pay to be:**

Income Tax	£2,251,202.85
------------	---------------

National Insurance	£102,677.26
--------------------	-------------

<b>Total tax to pay</b>	<b>£2,353,880.11</b>
-------------------------	----------------------

**How we calculate your yearly  
results:**

Your pay	£5,033,333 (you told us this)
----------	-------------------------------

Your tax-free allowance is	£0
-------------------------------	----

<b>Your taxable pay is</b>	<b>£5,033,333</b>
----------------------------	-------------------

**HMRC gov.uk calculations for income tax and national insurance contributions for a week for average salary for anyone in the £2,000,000 plus salary bracket. (see calculation immediately below which is the gov.uk calculator or go to <https://www.uktaxcalculators.co.uk>)**

Your estimated take-home pay  
for 2024 is  
**£51,527.95 a week**

**Based on your answers we estimate  
your weekly take-home pay to be:**

Income Tax	£43,292.36
National Insurance	£1,974.56
<b>Total tax to pay</b>	<b>£45,266.92</b>

**How we calculate your weekly  
results:**

Your pay	£96,794.87 (you told us this)
Your tax-free allowance is	£0
<b>Your taxable pay is</b>	<b>£96,794.87</b>



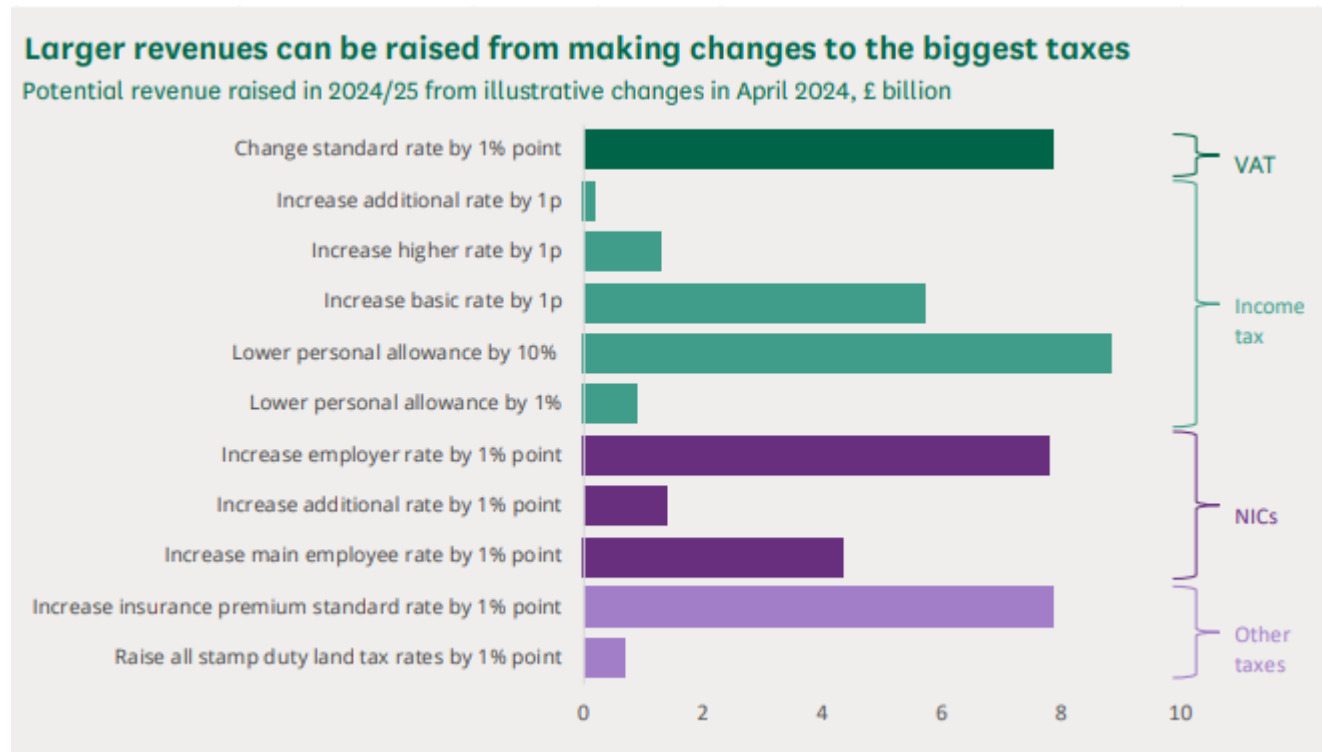
The additional amount of tax raised by a 1% increase in tax would be approximately as follows:

Income Range	Tax raised by 1% increase in tax billions unless otherwise shown
£12, 570 - £15,000	33.46 million
£15,000 - £20,000	0.276
£20,000 - £30,000	1.2
£30,000 - £50,000	2.65
£50,000 - £100,000	2.798
£100,000 - £150,000	1.004
£150,000 - £200,000	0.33
£200,000 - £500,000	0.791
£500,000 - £1,000,000	0.3954
£1,000,000 - £2,000,000	0.252
£2,000,000 +	0.452
	£ 10.181 billion

Now go to the following to examine the impact of different tax rises.

<https://researchbriefings.files.parliament.uk/documents/CBP-8513/CBP-8513.pdf>

Go to page 29 for view on effect of different tax rises – some examples.



Also go to ready reckoner bulletin (Jan 24)



<https://www.gov.uk/government/statistics/direct-effects-of-illustrative-tax-changes/direct-effects-of-illustrative-tax-changes-bulletin-january-2023#income-tax-rates>

## 4. Direct effects of illustrative changes

### 5. Income Tax rates

Illustrative tax changes	Current Estimate, financial year 2024-25, £ million	Current Estimate, financial year 2025-26, £ million	Current Estimate, financial year 2026-27, £ million	Note
Change starting rate for savings income by 1p	0	20	15	1,2,3,4
Change basic rate by 1p	6000	7350	7250	1,2,3,4
Change higher rate by 1p	1250	1750	1750	1,2,3,4
Increase additional rate by 1p (yield)	105	195	170	1,2,3,4
Decrease additional rate by 1p (cost)	130	245	215	1,2,3,4

(1) The illustrative figures for Income Tax (apart from those exclusively for savings for dividends income) show the exchequer impact on the UK government (i.e. the impact on Income Tax revenues from England and Northern Ireland, plus any associated changes in the Scottish Government's and Welsh Government's block grants). The ready reckoner does not include any impacts of changes for the elements of Income Tax devolved for Scotland or Wales.

(2) The illustrative figure for changing the starting rate of Income Tax by 1p assumes a minimum savings allowance of 20%.

(3) The illustrative figures include estimates of taxpayers' behavioural responses. There can be significant uncertainty around these modelling assumptions, particularly concerning rate changes to the Income Tax and National Insurance Contributions of Additional Rate taxpayers.

(4) The figures differ from those in the Spring 2023 publication for a variety of reasons, including changes to forecast incomes and job growth. Additionally, HMRC have also reviewed their assumptions underlying behavioural responses in light of developments in the economic literature, including [HMRC's own research on Scottish taxpayers](#), which has also had some impact on the illustrative changes shown here.

As at Dec 2022 the PM is entitled to claim £80,807. (see <https://www.gov.uk/government/publications/ministerial-salary-data/salaries-of-members-of-his-majestys-government-april-2022-html> ). As an MP as at April 2023 the UK's PM can claim £86,584 <https://www.theipsa.org.uk/mps-pay-and-pensions>. So the Prime Minister of the UK is paid £167,391 (assuming a PM wishes to take the full amount of pay on offer) and if we consider that the usual working year is approximately 231 working days (365 days less entitlement of most workers ( <https://www.gov.uk/holiday-entitlement-rights#:~:text=Statutory%20annual%20leave%20entitlement,of%205.6%20weeks%20of%20holiday>. less weekends (104 days) less holiday (inclusive of 8 days bank holiday) ie 28 days which is 233 days) at say 7.5 hours per day then that equates to an hourly rate of  $\text{£}167,391 / (233 \times 7.5) = \text{£}95.78$  per hour.

At an extreme if a Prime Minister worked every day and every hour of the year that would be equal to  $\text{£}167,391 / (365 \times 24) = \text{£}19.10$  per hour

PS This does not include expenses that MPs can claim for accommodation, dependant travel, own MP travel costs, office costs, staff travel and staffing. The current PM as at December 2023, Rishi Sunak, for 2022/23 (see <https://www.theipsa.org.uk/mp-staffing-business-costs/your-mp/rishi-sunak/4483>) claimed staffing costs of £210,764.08

As reported in the Guardian on 16 Feb 24 – see <https://www.theguardian.com/politics/2024/feb/16/keir-starmer-paid-99400-in-uk-tax-on-404000-of-income-labour-reveals>

Salary of £128,291 as MP and leader of the opposition. if we consider that the usual working year is approximately 231 working days (365 days less entitlement of most workers ( <https://www.gov.uk/holiday-entitlement-rights#:~:text=Statutory%20annual%20leave%20entitlement,of%205.6%20weeks%20of%20holiday>. less weekends (104 days) less holiday (inclusive of 8 days bank holiday) ie 28 days which is 233 days) at say 7.5 hours per day then that equates to an hourly rate of  $\text{£}128,291 / (233 \times 7.5) = \text{£}73$  per hour.

The Chief Executive of British Petroleum in 2022 was (according to the BP's remuneration report) paid approximately ten million pounds. This equates to £10,025,782 (233 x 7.5) = £5,737.21 per hour.

Based on a working week of 40 hours this would equate to: £10,025,782 (233 x 8) = £5,378 per hour.

At an extreme if the CEO of BP worked every day and every hour of the year that would equate to £10,025,782 / (365 x 24) = £1144 per hour

<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-directors-remuneration-report-2022.pdf>

The General Secretary of UNISON was paid for year ended 31.12.21 the total salary and benefits of £151,643

This equates to £151,643 / (233 x 7.5) = £86.77 per hour.

Based on a 40 hour working week this equates to £151,643 / (233 x 8) = £81.35 per hour.

At an extreme if working every hour of every day of the year that would be equal to : £151,643 / (365 x 24) = estimate £17.31 per hour

[https://www.unison.org.uk/content/uploads/2022/07/26805\\_Statement\\_of\\_financial\\_affairs.pdf](https://www.unison.org.uk/content/uploads/2022/07/26805_Statement_of_financial_affairs.pdf)

	£
President – no salary or other taxable benefits	NIL
Members of the National Executive Council – no salary or other taxable benefits	NIL
<b>General Secretary</b>	
Salary	146,441
Salary sacrifice	(10,605)
London weighting	5,984
Taxable subsistence	3,028
Benefit in Kind	6,795
<b>Total salary and benefits</b>	<b>151,643</b>
Employer's national insurance costs	41,966
Employer's Pension Contribution	32,282
<b>Total salary and on costs for the year ended 31.12.2021</b>	<b><u>225,891</u></b>

## **Let's turn to companies – private limited companies and public limited companies – listed and unlisted**

### **Can any companies afford to pay more tax – corporation tax in this case.**

You pay Corporation Tax at the rates that applied in your company's accounting period for Corporation Tax.

If your company made more than £250,000 profit, you'll pay the main rate of Corporation Tax.

If your company made a profit of £50,000 or less, you'll pay the 'small profits rate', which is 19%.

You may be entitled to 'Marginal Relief' if your profits were between £50,000 and £250,000.

The £50,000 and £250,000 profit thresholds are proportionately reduced for short accounting periods and by the total number of 'associated companies' your company has.

There are different rates for 'ring fence' profits of companies involved in oil rights or extraction in the UK or UK continental shelf.

You may be able to get deductions or claim tax credits on your Corporation Tax; known as allowances and reliefs.

- The £50,000 and £250,000 profit thresholds are proportionately reduced for short accounting periods and by the total number of 'associated companies' your company has.
- There are different rates for 'ring fence' profits of companies involved in oil rights or extraction in the UK or UK continental shelf.

### **What Marginal Relief is**

From 1 April 2023 the Corporation Tax rate changes to:

- 19% for taxable profits below £50,000 (small profit rate)
- 25% for taxable profits above £250,000 (main rate)

Marginal Relief provides a gradual increase in Corporation Tax rate between the small profits rate and the main rate — this allows you to reduce your rate from the 25% main rate.

### **Who can claim Marginal Relief**

Your company or organisation may be able to claim Marginal Relief if its taxable profits from 1 April 2023 are between:

- £50,000 (the lower limit)
- £250,000 (the upper limit)

If your accounting period is shorter than 12 months these limits are proportionately reduced. These limits are also proportionately reduced by the number of associated companies your company has.

For example, if your company has 3 other associated companies, the limits are divided by 4. The lower limit becomes £12,500 and the upper limit becomes £62,500.

### **Slide 36 Who cannot claim Marginal Relief**

You cannot claim Marginal Relief if:

- you're a non-UK resident company
- you're a close investment holding company
- your profits (including distributions from unrelated, unassociated companies) go over £250,000

### **Tesco**

**<https://www.tescopl.com/investors/reports-results-and-presentations/financial-performance/group-income-statement>**

Year on year profits :

<https://www.tescopl.com/investors/reports-results-and-presentations/financial-performance/five-year-record/>

Annual report 2023

<https://www.tescopl.com/investors/reports-results-and-presentations/annual-report-2023>

<https://www.unitetheunion.org/what-we-do/unite-investigates/new-analysis-rips-apart-dodgy-claims-of-squeezed-supermarket-profits/unite-investigates-food-profiteering-update-june-2023>

Tesco Corporation Tax:

See:

<https://www.tescopl.com/media/tayem0jf/our-tax-contribution-2023-final1105-pwc-reviewed.pdf>



<b>Group operating profit/(loss)</b>	<b>2,649</b>	<b>2,206</b>	<b>1,547</b>	<b>2,560</b>	<b>1,525</b>
Share of post-tax profits/(losses) of joint ventures and associates	32	(8)	26	15	8
Net finance costs	(1,064)	(1,170)	(937)	(542)	(533)
<b>Profit/(loss) before tax</b>	<b>1,617</b>	<b>1,028</b>	<b>636</b>	<b>2,033</b>	<b>1,000</b>
Taxation	(347)	(290)	(104)	(510)	(247)

## 2 Country-by-Country Reporting

### Country-by-Country Reporting

	Year ended 31 December 2022			
	Turnover US\$m	Average FTEs <sup>9</sup>	Profit/(loss) before tax <sup>1</sup> US\$m	Corporation tax paid/ (refunded) <sup>8</sup> US\$m
<b>Europe</b>				
United Kingdom <sup>12</sup>	23,997	33,675	4,385	380
- of which: reversal of impairment of subsidiaries	2,298		2,298	
France <sup>12</sup>	2,671	6,381	721	63
- of which: reversal of impairment of subsidiaries	2,304		2,304	
- of which: loss upon classification of assets as held for sale	(1,953)		(1,953)	
Germany	908	2,328	11	51
Switzerland	570	748	24	—
Poland	469	3,939	73	13
Jersey	253	641	104	8

See “Our tax contribution” at :

Go to: <https://www.tescopl.com/media/tayem0jf/our-tax-contribution-2023-final1105-pwc-reviewed.pdf>

# Our tax contribution.

For the year ended 25 February 2023, the Group's total tax contribution was **£5.4 billion** of which taxes borne were **£1.7 billion**. In the latest 100 Group Total Tax contribution survey we ranked 3rd largest corporate tax payer in the UK.

## Business rates

The largest tax we pay is UK business rates which this year totalled

**£704m**



## Corporation Tax

We paid corporate income tax of

**£123m**



## Colleagues

As an employer of more than 330,000 colleagues we paid employment taxes of

**£561m**



## Customs and Fuel duty

The duty we paid on goods we import as well as fuel duty across our vehicle fleet was

**£139m**



## Environment taxes



## Other

We paid a number of other taxes across our



**Diageo**

**<https://www.diageo.com/en/investors/annual-report>**

**Group Financial Review – Summary income statement**

## GROUP FINANCIAL REVIEW

### Summary income statement

	30 June 2022	Exchange (a)	Acquisitions and disposals (b)	Organic movement <sup>(1)</sup>	Fair value remeasurement (d)	Hyperinflation <sup>(1)</sup>	30 June 2023
	£ million	£ million	£ million	£ million	£ million	£ million	£ million
<b>Sales</b>	22,448	588	(683)	1,091	–	71	23,515
Excise duties	(6,996)	114	569	(122)	–	33	(6,402)
<b>Net sales</b>	15,452	702	(114)	969	–	104	17,113
Cost of sales	(5,973)	(363)	84	(522)	5	(63)	(6,832)
<b>Gross profit</b>	9,479	339	(30)	447	5	41	10,281
Marketing	(2,721)	(151)	(15)	(152)	(1)	(11)	(3,051)
Other operating items	(1,961)	(66)	(16)	26	49	(8)	(1,976)
<b>Operating profit before exceptional items</b>	4,797	122	(61)	321	53	22	5,254
Exceptional operating items (c)	(388)						(622)
<b>Operating profit</b>	4,409						4,632
Non-operating items (c)	(17)						328
Net finance charges	(422)						(594)
Share of after tax results of associates and joint ventures	417						370
<b>Profit before taxation</b>	4,387						4,736
Taxation (e)	(1,049)						(970)
<b>Profit for the year</b>	3,338						3,766

(1) For the definition of organic movement and hyperinflation see pages 232-233.

## Notes from the financial accounts report

### (e) Taxation

The reported tax rate for the year ended 30 June 2023 was 20.5% compared with 23.9% for the year ended 30 June 2022.

Included in the tax charge of £970 million in the year ended 30 June 2023 is a net exceptional tax credit of £186 million, including an exceptional tax credit of £124 million in respect of brand impairments, mainly the McDowell's brand, a tax credit of £57 million in respect of the deductibility of fees paid to Diageo plc for guaranteeing externally issued debt of its US group entities, a tax credit of £23 million in respect of the supply chain agility programme, partly offset by a tax charge of £42 million in respect of the sale of Guinness Cameroun S.A.

The reported tax charge for the year ended 30 June 2022 included an exceptional tax credit of £31 million, comprising exceptional tax credits of £35 million and £20 million on the impairment of the McDowell's and Bell's brands respectively, partly offset by an exceptional tax charge of £23 million in respect of the gain on the sale of the Picon brand and a further tax charge of £3 million in respect of winding down operations in Russia.

The tax rate before exceptional items for the year ended 30 June 2023 was 23.0% compared with 22.5% for the year ended 30 June 2022.

We expect the tax rate before exceptional items for the year ending 30 June 2024 to be in the region of 24%.

**HSBC**

**<https://www.hsbc.com/investors/results-and-announcements/annual-report>**

**See page 100 for P & L**

## Consolidated income statement

### Summary consolidated income statement

	2022	2021	2020	2019	2018
	\$m	\$m	\$m	\$m	\$m
Net interest income	32,610	26,489	27,578	30,462	30,489
Net fee income	11,451	13,097	11,874	12,023	12,620
Net income from financial instruments held for trading or managed on a fair value basis	10,469	7,744	9,582	10,231	9,531
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(3,394)	4,053	2,081	3,478	(1,488)
Change in fair value of designated debt and related derivatives <sup>1</sup>	(77)	(182)	231	90	(97)
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	226	798	455	812	695
Gains less losses from financial investments	(3)	569	653	335	218
Net insurance premium income	12,825	10,870	10,093	10,636	10,659
Impairment loss relating to the planned sale of our retail banking operations in France <sup>2</sup>	(2,378)	—	—	—	—
Other operating income/(loss)	(133)	502	527	2,957	960
<b>Total operating income</b>	<b>61,596</b>	<b>63,940</b>	<b>63,074</b>	<b>71,024</b>	<b>63,587</b>
Net insurance claims and benefits paid and movement in liabilities to policyholders	(9,869)	(14,388)	(12,645)	(14,926)	(9,807)
<b>Net operating income before change in expected credit losses and other credit impairment charges<sup>3</sup></b>	<b>51,727</b>	<b>49,552</b>	<b>50,429</b>	<b>56,098</b>	<b>53,780</b>
Change in expected credit losses and other credit impairment charges	(3,592)	928	(8,817)	(2,756)	(1,767)
<b>Net operating income</b>	<b>48,135</b>	<b>50,480</b>	<b>41,612</b>	<b>53,342</b>	<b>52,013</b>
Total operating expenses excluding impairment of goodwill and other intangible assets	(33,183)	(33,887)	(33,044)	(34,955)	(34,622)
Impairment of goodwill and other intangible assets	(147)	(733)	(1,388)	(7,394)	(37)
<b>Operating profit</b>	<b>14,805</b>	<b>15,860</b>	<b>7,180</b>	<b>10,993</b>	<b>17,354</b>
Share of profit in associates and joint ventures	2,723	3,046	1,597	2,354	2,536
<b>Profit before tax</b>	<b>17,528</b>	<b>18,906</b>	<b>8,777</b>	<b>13,347</b>	<b>19,890</b>
Tax expense	(858)	(4,213)	(2,678)	(4,639)	(4,865)
<b>Profit for the year</b>	<b>16,670</b>	<b>14,693</b>	<b>6,099</b>	<b>8,708</b>	<b>15,025</b>
Attributable to:					
– ordinary shareholders of the parent company	14,822	12,607	3,898	5,969	12,608
– preference shareholders of the parent company	—	7	90	90	90
– other equity holders	1,213	1,303	1,241	1,324	1,029
– non-controlling interests	635	776	870	1,325	1,298
<b>Profit for the year</b>	<b>16,670</b>	<b>14,693</b>	<b>6,099</b>	<b>8,708</b>	<b>15,025</b>

Five year financial information



## **Unilever:**

<https://www.unilever.com/files/92ui5egz/production/257f12db9c95ffa2ed12d6f2e2b3ff67db49fd60.pdf>

<https://www.unilever.com/files/7667acae-d752-4700-b113-281103876fc6/unilever-tax-paid-by-country-2022-updated-may-2023-v4.pdf>

Operating profit p54 2022 10.755billion worldwide Income tax paid 2.807 billion worldwide. In UK see <https://www.unilever.com/files/7667acae-d752-4700-b113-281103876fc6/unilever-tax-paid-by-country-2022-updated-may-2023-v4.pdf> tax paid 54 million

## **BP**

<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2022.pdf>

**Group Income statement on page 182**

## Group income statement

For the year ended 31 December		\$ million		
	Note	2022	2021	2020
Sales and other operating revenues	6	241,392	157,739	105,944
Earnings from joint ventures – after interest and tax	16	1,128	543	(302)
Earnings from associates – after interest and tax	17	1,402	3,456	(101)
Interest and other income	7	1,103	581	663
Gains on sale of businesses and fixed assets	4	3,866	1,876	2,874
<b>Total revenues and other income</b>		<b>248,891</b>	164,195	109,078
Purchases	19	141,043	92,923	57,682
Production and manufacturing expenses		28,610	25,843	22,494
Production and similar taxes	5	2,325	1,308	695
Depreciation, depletion and amortization	5	14,318	14,805	14,889
Net impairment and losses on sale of businesses and fixed assets	4	30,522	(1,121)	14,381
Exploration expense	8	585	424	10,280
Distribution and administration expenses		13,449	11,931	10,397
<b>Profit (loss) before interest and taxation</b>		<b>18,039</b>	18,082	(21,740)
Finance costs	7	2,703	2,857	3,115
Net finance (income) expense relating to pensions and other post-retirement benefits	24	(69)	(2)	33
<b>Profit (loss) before taxation</b>		<b>15,405</b>	15,227	(24,888)
Taxation	9	16,762	6,740	(4,159)
<b>Profit (loss) for the year</b>		<b>(1,357)</b>	8,487	(20,729)
Attributable to				
bp shareholders		(2,487)	7,565	(20,305)
Non-controlling interests		1,130	922	(424)
		(1,357)	8,487	(20,729)
<b>Earnings per share</b>				
Profit (loss) for the year attributable to bp shareholders				
Per ordinary share (cents)				
Basic	11	(13.10)	37.57	(100.42)
Diluted	11	(13.10)	37.33	(100.42)
Per ADS (dollars)				
Basic	11	(0.79)	2.25	(6.03)
Diluted	11	(0.79)	2.24	(6.03)

Taxation Note on page 214

[https://www.bp.com/content/dam/bp/country-sites/en\\_gb/united-kingdom/home/images/economic-impact-report/pdf/UK-economic-contribution-at-a-glance.pdf](https://www.bp.com/content/dam/bp/country-sites/en_gb/united-kingdom/home/images/economic-impact-report/pdf/UK-economic-contribution-at-a-glance.pdf)

<https://www.reuters.com/business/energy/bp-profits-soar-record-28-bln-dividend-increased-2023-02-07/>

**£3.2 billion paid in taxes in UK**

**BP Corporate Tax Report**

<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-tax-report-2022.pdf>

**Selection from BP Corporate Tax report - UK**

# UK

## Employees

15,468

## Tangible assets

\$11,834

## Profit/(loss) before tax

\$(19,495m)

## Corporate tax charge/(credit)

\$2,422m

## Total tax contribution

\$4,371m

## Total taxes paid

\$1,679m

## Total taxes collected

\$2,692m

### Business activity

bp's history is rooted in the UK, where we have operated for more than a century. In 2022 we announced our intention to invest up to £18 billion in the UK's energy system by the end of 2030, demonstrating our firm commitment to the UK, and helping the country to deliver on its bold ambitions to boost energy security and reach net zero.

Our activities range from finding different sources of energy to delivering products and services to customers. We are focused on supporting bp's and the UK's net zero aims, by reducing emissions from our existing operations in the North Sea, entering the UK offshore wind market, and advancing new and emerging renewable energy technologies such as CCUS and hydrogen. We also operate one of the largest rapid and ultra-fast public EV charging networks in the UK, bp pulse.

Our head office is in London, and our North Sea headquarters are in Aberdeen. We also have several offices in south-east England and conduct significant research and development activities at sites across the country. Our central treasury and financing services, and much of the group's external debt, are in the UK. The UK therefore has third-party interest

costs and receives interest income from its group financing activities. We often hold overseas operations directly through overseas branches★ of UK companies and these activities are subject to corporate income taxes in the UK and the overseas country. Corporate income taxes paid in the overseas country are usually available as a credit against any UK corporate income taxes arising on these same activities. The UK is also the holding location for our investments in new ventures.

### Tax overview

UK corporate income tax rules apply a ring fence★ to our North Sea extractive activities. The corporate tax rate for the inside ring fence (IRF) regime is 40%. It increased to 65% from May 2022 and to 75% from January 2023 with the introduction of the new Energy Profits Levy. This compares to a tax rate of 19% for non-North Sea activities in 2022, which was also increased to 25% in April 2023. For 2022 we paid \$2.2 billion in corporate income taxes on our North Sea activities, of which \$700 million was Energy Profits Levy. Of the total \$2.2 billion, \$1.3 billion was paid in 2022 and is reflected in this report. The remaining amount was paid in 2023 and will appear in our 2023 report. With respect to production taxes, we received a net refund of petroleum revenue tax paid in

prior years resulting from the carry back of tax losses in accordance with the law.

Our non-extractive UK activities are subject to corporate income taxes on a consolidated basis, meaning they are taxed together as a single activity, with taxable profits and losses from our activities being offset. Typically, taxable profits from fuels and lubricants retail, trading activities, and our Guernsey regulated captive insurance company are offset by taxable losses from our head office, including payments into employee share plans, a net interest expense from our group financing activities and pension plan contributions. This meant we paid no taxable profit-based corporate income taxes on our non-extractive activities in 2022. However, our corporate income taxes paid also includes withholding taxes suffered by bp companies, predominantly in relation to the receipt of interest income from bp subsidiaries in overseas countries on inter-company lending from the UK.

We paid employer national insurance contributions for our employees and business rates for our UK offices and industrial sites. Although we undertook cross-border product transactions during 2022, these were principally between European Union (EU) member states or qualified for specific customs exemptions, meaning we paid only de minimis customs duties.

The taxes we collected on behalf of others and paid to the government in 2022 were principally excise duties, such as motor fuels duties on sales of fuels products and VAT. We are also required to withhold employee income taxes from payments we make to our employees.

The effective current corporate tax rate on our operations was minus 12%, compared with the statutory tax rate of 19%. Despite the large accounting loss for the period, due to the write off of our investment in Rosneft, we continue to have a corporate income tax charge due to taxes payable on the profits arising from North Sea extractive activities and withholding tax suffered on foreign dividends, interest, royalties and intercompany charges received in the year.

In addition to taxes paid, the [bp report on payments to governments 2022](#) also includes \$6.9 million in fees. It excludes \$94 million in corporate income taxes for our non-extractive activities, \$53 million property taxes, \$11 million customs duties and \$250 million of employer taxes which are included as taxes paid in this report.

 More information about [bp's operations and contribution in the UK](#).

For terms with ★ refer to the glossary on page 40

Shell Note approximately worldwide \$42 billion dollars profit.

17 million dollars paid to UK

## Report on Payments to Governments [1]

Countries:	Government Reports (in USD)						Total
	Production Entitlements	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	
<b>Europe</b>							
Albania	-	-	-	500,050	219,719	-	719,769
Germany	-	250,573,184	-	-	-	-	250,573,184
Italy	-	68,402,789	77,832,511	-	617,978	-	146,853,278
Norway	5,596,820,544	2,121,784,227	-	-	1,109,256	-	7,719,714,027
United Kingdom	-	8,016,307	-	-	9,949,183	-	17,965,491
<b>Asia</b>							
Brunei Darussalam	12,472,004	46,585,919	27,113,052	-	-	-	86,170,974
India	-	-19,132,933	-	-	-	-	-19,132,933
Kazakhstan	-	275,329,802	-	-	-	-	275,329,802
Malaysia	3,278,262,854	388,579,749	789,772,621	-	15,000,000	-	4,471,615,225
Philippines	461,162,693	73,713,802	-	-	-	-	534,876,495
<b>Middle East</b>							
Oman	-	4,559,403,750	-	-	400,000	-	4,559,803,750
Qatar	1,736,561,803	1,903,929,972	-	-	36,570,315	-	3,677,062,091
<b>Oceania</b>							
Australia	-	87,856,562	755,474,433	-	14,132,417	2,506,371	859,969,783
<b>Africa</b>							
Egypt	-	255,440,031	-	1,736,140	-	-	257,176,172
Namibia	-	-	-	-	108,363	-	108,363
Nigeria	3,035,996,709	711,850,070	691,648,502	-	81,639,634	-	4,521,134,915
Tunisia	-	59,662,546	16,569,086	-	-	-	76,231,632
<b>North America</b>							
Canada	-	19,625	46,789,644	-	2,000,370	-	48,809,639
Mexico	-	-	-	-	41,913,830	-	41,913,830
United States	-	66,520,000	1,431,776,102	-	29,941,840	-	1,528,237,942
<b>South America</b>							
Argentina	-	-	77,657,827	-	414,373	-	78,072,200
Bolivia	-	-	-	-	243,650	-	243,650
Brazil	87,824,216	466,854,704	1,197,817,132	216,531,654	2,375,611,034	-	4,344,638,739
Colombia	-	-	-	-	558,570	-	558,570
Trinidad and Tobago	849,957,104	17,260,192	8,612,774	2,000,000	12,164,092	-	890,994,162

## Tax Policy Associates

General:

<https://taxpolicy.org.uk/>

A think tank dedicated to improving tax policy and the public understanding of tax

<https://taxpolicy.org.uk/about/>

- Dan Neidle founded Tax Policy Associates as a not-for-profit company, with the aim of improving tax and legal policy, and the public understanding of tax.
- Tax Policy Associates has three key activities:
- Providing policymakers and politicians of all parties with expert and non-partisan tax policy advice, in the UK and worldwide.
- Analysing and investigating areas of tax and tax policy that have been under-reported.
- Partnering with journalists, academics and others researching and investigating tax and tax policy.

[https://taxpolicy.org.uk/2023/12/06/2023\\_oecd/](https://taxpolicy.org.uk/2023/12/06/2023_oecd/)

<https://taxpolicy.org.uk/2023/09/19/oecd2021/>

Shell / BP

Tax Policy Associates Article

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Glaxo Smith Kline

2022 Annual Report :

<https://www.gsk.com/en-gb/investors/financial-reports/annual-report-2022/>

Consolidated Income Statement



## Consolidated income statement for the year ended 31 December 2022

	Notes	2022 £m	2021 <sup>10</sup> £m	2020 <sup>10</sup> £m
Turnover	6	29,324	24,696	24,354
Cost of sales		(9,554)	(8,163)	(7,929)
Gross profit		19,770	16,533	16,425
Selling, general and administration		(8,372)	(7,070)	(7,437)
Research and development		(5,488)	(5,019)	(4,793)
Royalty income		758	417	321
Other operating (expense)/income	7	(235)	(504)	1,463
<b>Operating profit</b>	8	<b>6,433</b>	<b>4,357</b>	<b>5,979</b>
Finance income	11	76	14	32
Finance expense	12	(879)	(769)	(874)
Loss on disposal of interest in associates	13	–	(36)	–
Share of after tax (loss)/profits of associates and joint ventures		(2)	33	33
<b>Profit before taxation</b>		<b>5,628</b>	<b>3,599</b>	<b>5,170</b>
Taxation	14	(707)	(83)	(67)
<b>Profit after taxation from continuing operations</b>		<b>4,921</b>	<b>3,516</b>	<b>5,103</b>
Profit after taxation from discontinued operations and other gains/(losses) from the demerger		3,049	1,580	1,285
Re-measurement of discontinued operations distributed to shareholders on demerger		7,651	–	–
<b>Profit after taxation from discontinued operations</b>		<b>10,700</b>	<b>1,580</b>	<b>1,285</b>
<b>Total profit after taxation for the year</b>		<b>15,621</b>	<b>5,096</b>	<b>6,388</b>
Profit attributable to non-controlling interests from continuing operations		460	200	230
Profit attributable to shareholders from continuing operations		4,461	3,316	4,873
Profit attributable to non-controlling interests from discontinued operations		205	511	409
Profit attributable to shareholders from discontinued operations		10,495	1,069	876
		15,621	5,096	6,388
Total profit attributable to non-controlling interests		665	711	639
Total profit attributable to shareholders		14,956	4,385	5,749
		15,621	5,096	6,388
Basic earnings per share (pence) from continuing operations	15	110.8p	829p	122.4p
Basic earnings per share (pence) from discontinued operations		260.6p	26.7p	22.0p
<b>Total Basic earnings per share (pence)</b>		<b>371.4p</b>	<b>1096p</b>	<b>144.4p</b>
Diluted earnings per share (pence) from continued operations	15	109.2p	81.8p	120.9p
Diluted earnings per share (pence) from discontinued operations		257.0p	26.4p	21.7p
<b>Total diluted earnings per share (pence)</b>		<b>366.2p</b>	<b>108.2p</b>	<b>142.6p</b>

## **Explanation of tax charge in Glaxo Annual Report**

**Note the effective tax rate of 12.6%**

## Appendix: Explanation of the tax charge in our annual report continued

### Reconciliation of adjusted and total tax charge

GSK's total reported results represent the Group's overall performance for the year. The disclosures in our Annual Report reconcile the total tax charge for the year of £707m to the tax charge computed by applying the UK statutory rate of taxation (19% for 2022) to the Group's total profit before tax, setting out the main items which drive the difference.

Adjusted results are a non-IFRS measure that exclude the impact of one-off transactions, such as acquisitions and disposals, as well as items such as the amortisation or impairment of intangible assets and major restructuring costs. Further information on this is provided in our Annual Report.

Below we have provided additional reconciliations in respect of the tax charges on adjusted profit and adjusting items, to help explain our effective tax rate.

For the year ended 31 Dec, 2022	Total	Adjusting items	Adjusted profit
	£'m	£'m	£'m
Profit before tax	5,628	(1,730)	7,358
UK statutory rate of taxation (19%)	1,069	(329)	1,398
Differences in overseas tax rates	318	(48)	373
Benefit of intellectual property incentives	(600)	39	(646)
R&D credits	(119)	(19)	(100)
Permanent differences on disposals, acquisitions and transfers	275	(16)	291
Other permanent differences	82	42	40
Re-assessments of prior year current tax estimates	(60)	9	(69)
Re-assessments of prior year deferred tax estimates	(233)	(67)	(166)
Changes in tax rates	(25)	(41)	16
<b>Tax charge / (credit)</b>	<b>707</b>	<b>(430)</b>	<b>1,137</b>
<b>Effective tax rate</b>	<b>12.6%</b>	<b>24.9%</b>	<b>15.5%</b>

GSK's effective tax rate (the tax charge for the year expressed as a percentage of the profit before tax) differs from the UK statutory tax rate (19% for 2022) principally as a result of:

- the jurisdictional split of profits and the applicable jurisdictional tax rates. This is influenced by product sales and the ownership of intellectual property, the profits on which may be eligible for innovation incentives such as the UK and Belgian patent box regimes;
- Innovation incentives providing tax relief related to GSK R&D expenditure, designed to stimulate employment and investment in R&D;
- permanent differences which arise where there are items recognised for accounting purposes but not for tax purposes and vice versa – an example of this is taxes on intra-group dividends;
- a reassessment of estimates of uncertain tax positions following settlement of a number of open issues with tax authorities; and
- the impact of deferred tax items which are taxable or deductible in future periods becoming subject to different tax rates.

Aviva


<https://www.aviva.com/investors/reports/>

<https://www.reuters.com/world/uk/aviva-unveils-300-million-pound-buyback-after-operating-profit-rise-2023-03-09/>

**Summary**   **Companies**

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- 2022 operating profit from continuing operations up 35%
- Pledges 300 mln pound share buyback
- Activist investor Cevian praises company restructuring

LONDON, March 9 (Reuters) - Aviva ([AV.L](#))  hiked its payouts to investors on Thursday, including a pledged 300 million pound (\$355 million) share buyback, after navigating a volatile year in its key markets amid pressure from activist investor Cevian to boost returns.

The British insurer and asset manager said it had paid more than 5 billion pounds to investors since 2021, including a final dividend of 20.7 pence per share for 2022.

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Lloyds Banking Group plc

<https://www.lloydsbankinggroup.com/assets/pdfs/investors/financial-performance/lloyds-banking-group-plc/2023/q4/2023-lbg-annual-report.pdf>

## Consolidated income statement

for the year ended 31 December

	Note	2023 £m	2022 <sup>1,2</sup> £m	2021 <sup>2</sup> £m
Interest income		28,051	17,645	13,258
Interest expense		(14,753)	(4,723)	(2,386)
<b>Net interest income</b>	5	13,298	12,922	10,872
Fee and commission income		2,926	2,790	2,608
Fee and commission expense		(1,095)	(1,070)	(1,185)
Net fee and commission income	6	1,831	1,720	1,423
Net trading income (losses)	7	18,049	(19,987)	17,200
Insurance premium income	8			8,283
Insurance revenue	9	3,008	2,481	
Insurance service expense	10	(2,414)	(3,863)	
Net income from reinsurance contracts held		2	62	
Insurance service result		596	(1,340)	
Other operating income	11	1,631	1,339	1,172
<b>Other income</b>		22,107	(18,268)	28,078
<b>Total income</b>		35,405	(5,346)	38,950
Insurance claims and changes in insurance and investment contract liabilities	12			(21,120)
Net finance (expense) income from insurance, participating investment and reinsurance contracts	13	(11,684)	15,893	
Movement in third party interests in consolidated funds		(1,109)	1,035	(1,506)
Change in non-participating investment contracts		(3,983)	3,959	
<b>Total income, after net finance (expense) income in respect of insurance and investment contracts</b>		18,629	15,541	16,324
Operating expenses	14	(10,823)	(9,237)	(10,800)
Impairment (charge) credit	18	(303)	(1,522)	1,378
<b>Profit before tax</b>		7,503	4,782	6,902
Tax expense	19	(1,985)	(859)	(1,017)
<b>Profit for the year</b>		5,518	3,923	5,885
Profit attributable to ordinary shareholders		4,933	3,389	5,355
Profit attributable to other equity holders		527	438	429
Profit attributable to equity holders		5,460	3,827	5,784
Profit attributable to non-controlling interests		58	96	101
<b>Profit for the year</b>		5,518	3,923	5,885
Basic earnings per share	41	7.6p	4.9p	7.5p
Diluted earnings per share	41	7.5p	4.9p	7.5p

1 Restated for the adoption of IFRS 17; see notes 1 and 54.

2 Restated for presentational changes; see note 1.

The accompanying notes are an integral part of the consolidated financial statements.

Lloyds Banking Group plc

P 211 if Annual Report 2023

Profit before tax £7,503,000,000

Tax paid £1,985,000,000

(1) Is the UK tax burden the highest it's ever been?

(2) Can the UK afford tax increases?

(3) Does the public sector provide value for money?

So we take that as read that generally you don't get something for nothing – so let's consider the 2 main ways of getting a service that practically everyone needs - let's look at the third question in this podcast – does the public sector provide value for money – let's say in the context of healthcare. So you don't generally get something for nothing so how are services financed – just like in healthcare – well it's a case of (1) paying for private treatment or (2) public treatment. That's not to say that ultimately public sector treatment doesn't have to be paid for. It does through taxes and national insurance. But the argument that is often being played out in the UK Parliament is whether the option to provide services by the private sector is better than the public sector well I've already touched on this right at the beginning of this podcast – you know private sector is better because it's incentivised to make money and so a private enterprise will be driven to make itself the most efficient that it can be in order to improve profits. Also with many private enterprises there is one petition and that drives the prices down – generally. Then there is the counterargument that private is not as good as it might first be thought



because in order to raise capital you need to take on board shareholders and keep shareholders on board you need to pay the dividends and that's essentially a slice of the profits that must be accounted for and although competition in theory does push down prices there are many business structures, oligopolies monopolies and so on that generally speaking mean that competition is not as effective as it could be in driving down prices.

So with that said the third part of this forecast simply going to focus on whether or not the public sector provide value for money. Now that is a very difficult question to answer in full and so I'm just going to focus on a few general points rather than a full analysis which would have course require, amongst other things, specific statistics on lifelong total contributions of tax and national insurance within certain time spans and comparing the number of treatments (the output of the public health sector) with that of the private sector taking into account the cost of treatment within the private sector, number of treatments etc.

So instead of that here are some general points which I hope raise some questions and give some answers in regard to the National Health Service.

<https://www.england.nhs.uk/2024/01/waiting-list-falls-again-as-nhs-staff-treat-more-patients-than-ever-before-in-one-month/>

Monthly performance data shows that the overall waiting list fell by more than 95,000 – down to 7.6 million in November from 7.7 million in October.

So clearly despite much effort by staff, as detailed in this NHS News report, there is clearly still a problem. 7.6 million patients awaiting treatment to be precise.

Now, for the sake of this podcast let's assume that the majority of people in the UK want the NHS to be free of charge at point of service. There is evidence for this statement. Consider the next slide

See survey from 2023 – NHS confederation article at:

<https://www.nhsconfed.org/publications/understanding-public-perceptions-and-attitudes-nhs#:~:text=However%2C%20the%20same%20survey,should%20be%20available%20to%20everyone>

This found that:

“.....challenges are having an impact on public satisfaction, with the latest British Social Attitudes Survey (BSA) showing that overall satisfaction fell to just one in three (29 per cent) - the lowest figure on record. However, the same survey found that support for the founding principles of the NHS remains strong, with 94 per cent believing the NHS should remain free of charge, 86 per cent saying it should be primarily funded through taxation and 83 per cent agreeing the service should be available to everyone.”

Now let's consider the cost of certain types of treatment in the private sector.

<https://www.nuffieldhealth.com/hospitals/bristol/pricing>

So various prices at February 2024

## Treatment prices at Bristol Hospital

- [Back Pain - Nerve/Neurotic Root Block](#) £3,590
- [Breast Enlargement - Round](#) £7,270
- [Breast Lift](#) £7,145
- [Breast Reduction](#) £9,085
- [Carpal Tunnel Release - One Wrist](#) £2,730
- [Cataract Surgery - One Eye - Standard Lens](#) £3,660
- [Epidural Injection](#) £1,880
- [Gallbladder Surgery - Laparoscopic Cholecystectomy](#) £7,425
- [Grommets Insertion - Treatment of Glue Ear](#) £2,930
- [Hernia Repair - Groin Inguinal - Open Surgery](#) £3,835
- [Hip Replacement](#) £15,070
- [Hysterectomy - Abdominal](#) £8,920
- [Knee Arthroscopy - Key Hole Surgery](#) £4,580
- [Knee Arthroscopy - Key Hole Surgery to Remove Damaged Cartilage](#) £4
- [Knee Replacement](#) £16,040
- [Nose Re-shaping - Rhinoplasty](#) £7,955
- [Prostate Resection - TURP](#) £8,250
- [Repair of Prolapsed Vagina](#) £8,705
- [Shoulder Decompression - Key Hole Surgery](#) £6,035
- [Slipped Disc Removal - Lower Back](#) £9,425
- [Tummy Tuck - Abdominoplasty with Liposuction](#) £9,710
- [Vasectomy](#) £2,100
- [Vasectomy Reversal](#) £4,810
- [Vitreotomy](#) £6,540
- [Vulva Lesion Excision](#) £4,000
- [Wisdom Teeth Extraction](#) £2,740

What does the Government spend money on?

<https://ifs.org.uk/taxlab/taxlab-key-questions/what-does-government-spend-money>

<b>Spending by function, as a % of total managed expenditure and in £ billion (2022–23 prices)</b>					
		1978–79	1996–97	2007–08	2022–23
<b>Health</b>	% of TME	9.4	13.0	16.0	18.3
	£ billion	44.4	74.7	141.6	211.6
<b>Education</b>	% of TME	11.9	11.5	12.5	9.1
	£ billion	55.9	66.0	110.2	105.5
<b>Defence</b>	% of TME	9.6	6.7	5.3	4.8
	£ billion	45.4	38.6	47.2	55.5
<b>Social security (pensioners)</b>	% of TME	12.0	14.7	14.9	12.2
	£ billion	56.7	84.5	131.8	141.2
<b>Social security (working-age and children)</b>	% of TME	8.5	14.2	13.1	10.2
	£ billion	40.0	81.0	115.5	117.5

You can see spending on health for 2022 – 2023 prices is £211.6 billion. So let's divide that some of £211.6 billion divided by the population of the UK. So what is the population of the UK.

Well the population in mid 2021 was, according to the ONS was estimated in mid-2021 to be 67.0 million (67,026,292).

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2021>

According to the Worldometer at the

<https://www.worldometers.info/world-population/uk-population/>

67,882,966 as at 23 Feb 2024

If you divide £211.06 billion by the population of 67,882,966 then that gives an average amount of tax revenue committed on behalf of each individual in the UK as £3117.

Now if we further add into the mix data from the Kings Fund at:

<https://www.kingsfund.org.uk/insight-and-analysis/data-and-charts/NHS-activity-nutshell>

you will see that :

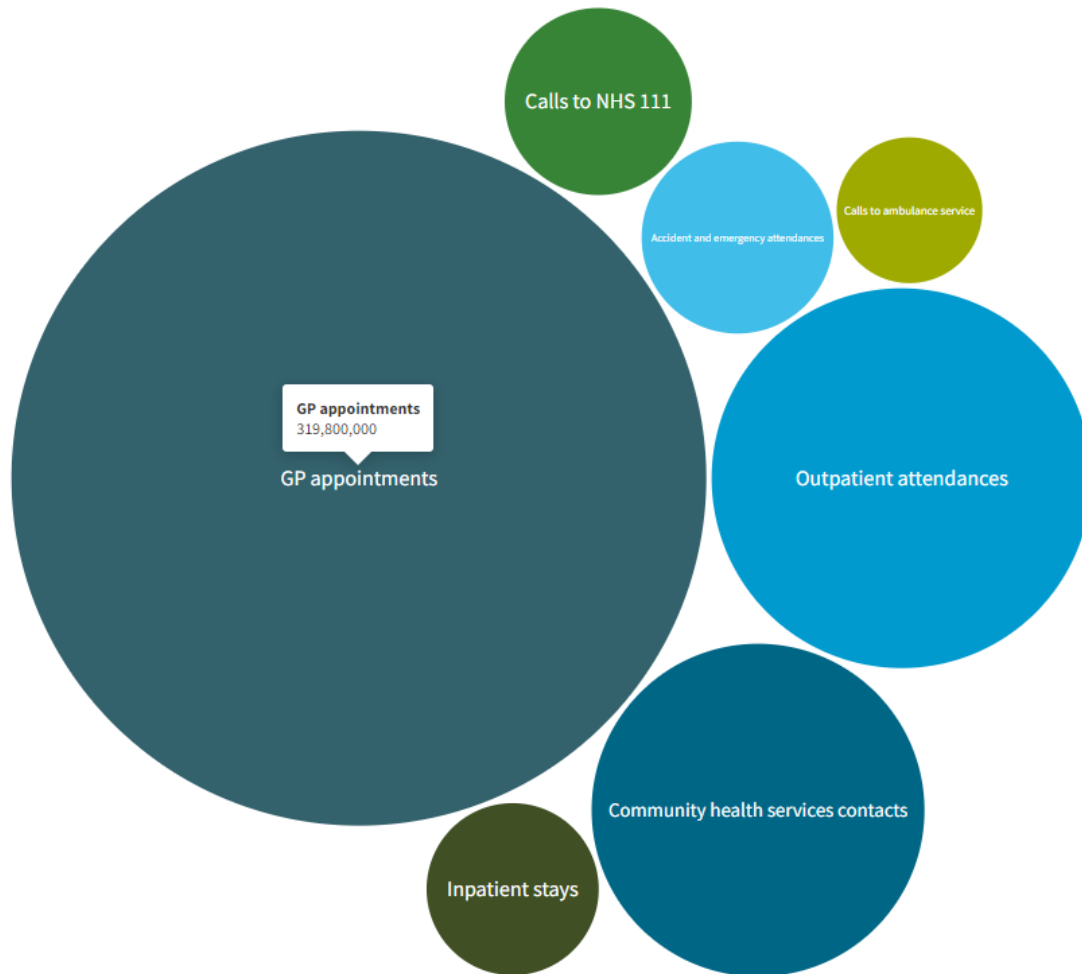
In total there were an estimated 570 million patient contacts with GP, community, mental health, hospital, NHS 111 and ambulance services in 2021/22. This is equivalent to every person in England being assessed, treated and cared for by the NHS 10 times a year, or 1.6 million interactions with patients every day. Let's say as a rough and ready that

See below for a nice diagrammatic illustration of those numbers:

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In 2021/22 there were an estimated 570 million patient interactions with GP, community, hospital, mental health and ambulance services – 1.6 million contacts every day

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So what's the point that I am making? Well, just that a contribution of £3,117 per person might not be such bad value for money when you consider the costs for various medical procedures, undertaken privately.

- carpal tunnel release of one rest at £2655, hernia repair at £3700, knee arthroscopy keyhole surgery at £4435, knee replacement at £15,375, prostate resection £7925 you get a sense of what it might cost - now of course..

<https://www.nuffieldhealth.com/hospitals/bristol/pricing>

that's not to say that each and every one of the approximately 68 million people in the UK are going to need treatment each year but when you consider 211 billion health service costs / 68 million people and estimated 570 million patient contacts per year the public sector NHS services might not necessarily be as inefficient or inadequate as some politicians might want to paint it.

- (1)Is the UK tax burden the highest it's ever been?
- (2)Can the UK afford tax increases?
- (3)Does the public sector give value for money?,