

Estimated cost of minor tax reliefs ^(1,2)

| | £m | | | | | |
|--|---------|---------|---------|---------|---------|------------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Table Note |
| Income tax | | | | | | |
| Blind person's allowance | 15 | 15 | 15 | 15 | 15 | |
| Farming etc averaging of profits* | 10 | -5 | 0 | 0 | 0 | 3 |
| Post-trading expenditure | 5 | 5 | 5 | 5 | 5 | |
| Exemption of: | | | | | | |
| Life Insurance Premiums for contracts made prior to 14th March 1984 | 10 | neg | neg | neg | neg | |
| Life annuities interest | neg | neg | neg | neg | neg | 4 |
| Child Trust Fund account savings | neg | neg | neg | neg | neg | |
| Junior Individual Savings Account savings | neg | neg | neg | neg | neg | |
| First £70 of National Savings Bank ordinary account interest* | neg | neg | neg | neg | neg | |
| Guardian's allowance* | neg | neg | neg | neg | neg | |
| NI benefit child dependency additions* | neg | neg | neg | neg | neg | 5 |
| Severe disablement allowance* | 15 | 10 | 5 | 5 | neg | 6 |
| Allowances to rehabilitees* | neg | neg | neg | neg | neg | |
| Maternity allowance* | 25 | 15 | 20 | 20 | 20 | 7 |
| £10 Christmas bonus for pensioners | 15 | 15 | 15 | 15 | 15 | |
| Pensions and annuities paid to holders of the Victoria Cross and certain other gallant | neg | neg | neg | neg | neg | |
| Children's allowance to Forces' widows | neg | neg | neg | neg | neg | |
| Bereavement payments (formerly widows' payments)* | 5 | 5 | 5 | 5 | 5 | |
| Certain expenses of MPs, government ministers etc | 5 | 5 | 5 | 5 | 5 | 8 |
| Operational allowance for members of armed forces | 30 | 25 | 15 | neg | 5 | 9 |
| 15p luncheon voucher | neg | - | - | - | - | 10 |
| Payments to relevant scientific research associations | neg | neg | neg | neg | neg | |
| War Widows Pension* | 35 | 40 | 35 | 35 | 35 | |
| Income tax and corporation tax | | | | | | |
| Rollover relief for balancing charges on ships* | neg | neg | neg | neg | neg | |
| Community Investment Tax Relief | neg | neg | neg | neg | neg | |
| Business Premises Renovation Allowance | 40 | 30 | 25 | 20 | 20 | 11 |
| Landlord's Energy Saving Allowance | 5 | 10 | 10 | 0 | 0 | 12 |
| National insurance contributions | | | | | | |
| Relief for: | | | | | | |
| Enterprise Management Incentives* | 20 | 40 | 40 | 40 | 40 | |
| Approved Company Share Option Plans * | 30 | 40 | 40 | 40 | 40 | |
| Operational allowance for members of armed forces | 30 | 20 | 15 | neg | neg | 9 |
| Corporation tax | | | | | | |
| Land Remediation Relief* | 25 | 25 | 25 | 25 | 25 | 13 |
| Animation Tax Relief | | 5 | 10 | 10 | 10 | |
| Video Games Tax Relief | | | 35 | 35 | 40 | |
| Theatre Tax Relief | | | 20 | 35 | 40 | |
| Life companies reduced rate of corporation tax on policy holders' fraction of profit * | 35 | 20 | 15 | 5 | 0 | 14 |
| Petroleum revenue tax | | | | | | |
| Relief for exploration and appraisal expenditure | 10 | neg | 0 | 0 | 0 | 15 |
| Cross field allowance | 0 | 0 | 0 | 0 | 0 | 15 |
| Relief for research expenditure | neg | neg | neg | neg | neg | 15 |
| Unrelieved field loss | 35 | 5 | 5 | 30 | 0 | 15.16 |
| Capital gains tax | | | | | | |
| Relief for trading losses against capital gains* | 5 | 5 | 10 | 10 | 5 | 17 |
| Venture Capital Trusts* | 5 | 15 | 15 | 15 | 10 | 18 |
| Seed Enterprise Investment Scheme* | 10 | 5 | 5 | 5 | 5 | 19 |
| Stamp Duty Land Tax | | | | | | |
| Disadvantaged Area Relief | 15 | neg | neg | 0 | 0 | 21 |
| Part Exchange Relief | 45 | 20 | 20 | 10 | 20 | 20 |
| Reconstruction Relief | neg | neg | 5 | 10 | 5 | 20 |
| Relocation of Employment | 5 | neg | neg | neg | neg | 20 |
| Compulsory Purchase Facilitating Development | neg | 5 | neg | 5 | neg | 20 |
| Acquisition Relief | 5 | neg | neg | neg | neg | 20 |
| Transfers Involving Public Bodies | 5 | 10 | 20 | 5 | 5 | 20 |
| Acquisition by Bodies Established for National Purposes | neg | neg | neg | neg | neg | 20 |
| Zero Carbon Homes Relief | neg | 0 | 0 | 0 | 0 | 20 |
| Incorporation of Limited Liability Partnership | 5 | neg | 5 | 5 | 10 | 20 |
| Demutualisation of an Insurance Company | neg | neg | 0 | neg | neg | 20 |
| Diplomatic Privileges Relief | 5 | 5 | 10 | neg | 15 | 20 |
| Collective Enfranchisement by Leaseholders | 5 | 5 | neg | 10 | neg | 20 |
| Compliance with Planning Obligations | neg | neg | neg | neg | neg | 20 |
| Right to Buy Transactions | neg | neg | neg | neg | neg | 20 |
| Transfer in Consequence of Reorganisation of Parliamentary Constituencies | neg | 0 | neg | neg | neg | 20 |
| Alternative Property Finance | 10 | 10 | 10 | 5 | 15 | 20 |
| Alternative Finance Investment Bonds | neg | neg | 10 | neg | neg | 20 |
| Inheritance tax | | | | | | |
| Successive charges relief* | 5 | 5 | 5 | 5 | 5 | |
| Taper relief on transfers between three to seven years before death* | 25 | 25 | 25 | 30 | 30 | |
| Double taxation relief | 10 | 5 | 0 | 5 | 5 | |
| Woodlands Relief | neg | neg | neg | neg | neg | |
| Deaths on active service | neg | neg | neg | neg | neg | |

| | | | | | | |
|---|------------|------------|------------|------------|------------|-----------|
| Transfers to political parties on death | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Interest-free instalments | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Value added tax | | | | | | |
| Reduced rate of VAT on children's car seats | 20 | 20 | 20 | 25 | 25 | <u>22</u> |
| Reduced rate of VAT on contraceptive products | 10 | 10 | 10 | 10 | 15 | <u>22</u> |
| Reduced rate of VAT on smoking cessation products | 20 | 20 | 20 | 20 | 20 | <u>22</u> |
| Reduced rate of VAT on women's sanitary products | 45 | 40 | 45 | 40 | 40 | <u>22</u> |
| Zero rate of VAT on cycle helmets | 15 | 15 | 20 | 20 | 20 | <u>22</u> |
| Zero rate of VAT on sales of homes that are empty for more than 10 years* | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | <u>22</u> |
| Exemption for cultural admission charges* | 30 | 35 | 35 | 35 | 40 | <u>22</u> |
| Landfill tax | | | | | | |
| Exemption for dredging waste | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Exemption for pet cemeteries | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Climate change levy | | | | | | |
| Exemption of energy used in some forms of transport | 20 | 20 | 20 | 20 | 20 | |
| Lower rate for supplies of gas to Northern Ireland | 5 | <i>neg</i> | 0 | 0 | 0 | |
| Exemption of energy supplies not used as fuel | 35 | 40 | 40 | 35 | 35 | |
| Lower rate for supplies for use in certain metal recycling processes | 5 | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Exemption of electricity provided to third parties from certain combined Heat and Power | 60 | 55 | 25 | 30 | 30 | <u>23</u> |
| Carbon price floor | | | | | | |
| Exemption for coal slurry for use in electricity generation | 0 | 5 | 5 | 5 | 5 | |
| Exemption for fuels used in small generators | 0 | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Exemption for fuels used in stand-by generators | 0 | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Exemption for taxable commodities used in electricity generation in Northern Ireland | 0 | 5 | 20 | 25 | 35 | |
| Exemption for fuels used in small combined heat and power (CHP) stations | 0 | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Exemption for oil used to generate electricity where that electricity is not subject to the C | 0 | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Aggregates levy | | | | | | |
| Exemption for china clay waste and ball clay waste | 5 | 5 | 0 | 5 | 5 | <u>24</u> |
| Exemption for building ('dimension') stone | 5 | 5 | 5 | 5 | 5 | |
| Exemption for material arising from utility works | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | <i>neg</i> | |
| Relief for aggregate exported from the UK | 20 | 20 | 20 | 20 | 20 | |

*The figures in italic are estimate or forecasts, and therefore subject to a wide margin of error.

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Table notes for estimated cost of minor tax allowances and reliefs

- 1 Only tax allowances and reliefs costing less than £50 million in both years are included here. Reliefs with higher costs, where they can be estimated are given in the principal table.
- 2 These figures fall outside the scope of National Statistics.
- 3 The figures for 2012-13 and 2013-14 are updated reflecting the latest available tax return data and due to high volatility in this series, we have forecast £0m for 2014-15 and 2015-16. This projection is subject to considerable uncertainty due to the nature of profits averaging.
- 4 Relief for those aged 65 and over who take out loans to buy a life annuity (a home income plan) ended with effect from 9 March 1999, but existing loans will continue to qualify for relief for the remainder of the loan period, resulting in a declining cost profile.
- 5 Replaced by child tax credit from 6 April 2003 but recipients at that date remain entitled.
- 6 Abolished from 6 April 2001 but recipients at that date remain entitled. The decrease in the estimates is in line with the Department for Work & Pensions cost of the allowance decrease.
- 7 Excludes taxable Statutory Maternity Pay. The figures for 2012-13, 2013-14 and 2014-15 have been revised in line with latest available outturn data from the Family Resources Survey.
- 8 These figures also include an estimate of the cost of National Insurance Contributions.
- 9 The fall in value over time arises from reduced overseas deployment of armed forces.
- 10 This relief was abolished with effect from 2013-14.
- 11 Included in capital allowances figures in table 1.5.
- 12 Abolished from April 2015. Earlier years have been revised to include latest available tax return information for 2013-14.
- 13 The figures are forecast estimates. They include the negative tax and payable element of the relief. Negative tax is the part of the tax relief due to the enhanced expenditure (i.e. amounts in excess of 100 per cent of the expenditure) which offsets liability to corporation tax. Directly payable tax credits are treated as public expenditure.
- 14 Value over time has fallen due to reducing differential between basic IT rate (which is life companies reduced rate of CT) and CT rate.
- 15 The figures are net of any consequential effect on corporation tax and represent the effect on calendar year accruals for fields where PRT is paid.
- 16 The fall in 2013-14 & 2014-15 is due to fewer fields in loss driven by stronger production and higher oil and gas prices. The increase in 2015-16 and 2016-17 is as a result of rising losses due to falling oil and gas prices whilst companies remain committed to high levels of expenditure in the short term. This issue is then compounded where those companies in loss do not have sufficient tax history to carry back losses. The reduction in costs of unrelieved field losses in 2016-17 to zero is the result of the reduction in the rate of PRT to 0% from the start of 2016.
- 17 The figures only take into account the effect on capital gains tax and no consequential effects on other taxes .
- 18 Exemption of Capital Gains Tax is available on gains arising in Venture Capital Trusts; these costs were previously combined with the Income Tax relief costs for these schemes. No data is directly available on the cost of this relief, therefore these estimates are highly uncertain.
- 19 Relief of Capital Gains Tax is available on reinvestment of gains arising into Seed Enterprise Investment Scheme. Exemption of Capital Gains Tax is available on gains arising in Seed Enterprise Investment Scheme. These costs were previously combined with the Income Tax relief costs for these schemes. No data is directly available on the cost of these reliefs, therefore these estimates are highly uncertain.
- 20 At Autumn Statement 2014 SDLT was reformed from a rate system, where the tax is paid on the entire value, to a marginal rate system where each new SDLT rate is only be payable on the portion of the property value which falls within each band. It was unclear at the time what impact these reforms would have on relieved transactions, so a provisional estimate was not for 2014-15 until more data were available. These are now included/updated. The cost of some of the reliefs shown is driven by a relatively small number of transactions, sometimes of high value, and therefore some volatility is to be expected.
- 21 The estimate for Transfers Involving Multiple Dwellings has been moved to the Main Reliefs table as the estimates are £50 million or above.
- 22 All the cost estimates relating to VAT are based on the actual standard rate of VAT that applies in the relevant periods.
- 23 This relief was withdrawn in 2013 but there is a transitional period until April 2018 during which stocks of unclaimed relief may continue to be used. The figures have been revised based upon the latest available data.
- 24 Exemption was suspended in 2014-15 due to an EU State aid investigation, and then fully reinstated in 2015-16 and retroactively applied to the period of extension. All relief accrued in 2014-15 was received in 2015-16.