

# Customer focus: Mid-sized businesses

Mid-sized businesses\* make up less than 4% of UK business but employ more than 19% of the workforce. Some of these are businesses that are growing rapidly which can result in increasing complexity in their tax affairs. The tax gap for mid-size businesses is mainly due to challenges to interpretation of the law, failure to take reasonable care and non-payment.

## How we work with this customer group

We support mid-sized businesses in a number of ways, including digital tax accounts for some and supporting third party software used by this group. We target risks to tax revenue by using data to develop greater customer understanding. When non-compliance does occur, we tackle it according to the level of risk, with more intensive intervention for the most complex cases.

Mid-sized businesses: turnover between £10 million and £200 million, or 20 or more employees



**£45bn**

Estimated receipts from Corporation Tax, VAT and others\*\*



**£3.5bn**

Yield generated from our compliance activities



**£3.9bn**

Tax gap estimate for 2016-17



**£225m**

Estimated spend on compliance activities



**9m**

Employments by businesses which are dealt with as mid-sized



**£75bn**

PAYE and NICs from individuals or wealthy customers\*\*\*

\* Includes public bodies and charities  
 \*\* Includes an estimated £16 billion of receipts from tax regimes that cut across small and mid-sized business  
 \*\*\* Estimated PAYE and NICs receipts collected from mid-sized businesses but paid by individual and wealthy customers

**55%**  
 of mid-size businesses rated their overall experience of dealing with HMRC positively\*

\*HMRC mid-size business survey 2016