

# Estimated costs of principal tax reliefs

	£m					
<b>Tax Expenditures</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Table Note</b>
<b>Income tax</b>					<i>Forecast</i>	
Relief for:						
Registered pension schemes*	20700	21150	23400	23650	24050	1
Individual Savings Accounts	2600	2400	2650	2750	2900	2
Share Incentive Plan*	300	220	170	170	170	3,5
Save As You Earn*	180	180	210	210	210	4,5
Enterprise Management Incentives*	70	70	110	110	110	5
Approved Company Share Option Plans*	70	70	50	50	50	6
Venture Capital Trusts*	130	120	130	165	185	7
Enterprise Investment Scheme*	450	480	455	375	420	7
Seed Enterprise Investment Scheme*	85	85	85	95	105	7
Professional subscriptions*	120	130	135	140	140	8
Employer Supported Childcare including workplace nurseries*	440	460	480	490	500	9
Seafarers' Earnings Deduction*	280	280	260	260	260	
Rent a room*	110	80	110	120	140	
Wear and tear allowance*	195	220	220	225	225	
Exemption of:						
First £30,000 of payments on termination of employment*	900	700	1000	1000	1000	
Interest on National Savings Certificates including index-linked certificates*	250	250	250	250	250	10
Premium Bond prizes*	130	130	130	130	130	10
Income of charities*	1570	1790	1910	1910	1970	11
Foreign service allowance paid to Crown servants abroad*	60	50	45	50	60	
Personal Tax Credits*	2720	2700	0	0	0	12
<b>Corporation tax</b>						
R&D tax credits*	1640	2405	2875	2880	3010	13
Film Tax Relief*	265	305	395	415	425	14
High-end TV Relief*	60	120	155	165	170	14,15
Video Games Relief*		75	80	80	85	14,15
Patent Box*	365	650	800	855	865	16
<b>National insurance contributions</b>						
Relief for:						
Share Incentive Plan*	220	165	120	120	120	3,5
Save As You Earn*	140	140	150	150	150	5
Employer Supported Childcare including workplace nurseries*	350	380	400	410	420	9
Foreign service allowance paid to Crown servants abroad*	50	40	35	40	50	
Employer contributions to registered pension schemes*	13850	13700	15700	16350	16900	17
Employment Allowance	0	1400	1500	2000	2100	18
<b>Capital gains tax</b>						
Exemption of gains arising on disposal of only or main residence*	20500	23300	26000	25100	27800	19
Relief for entrepreneurs' qualifying business disposals*	2700	3500	4200	2400	2700	20
Relief on investments in Enterprise Investment Schemes*	115	120	100	60	65	21
<b>Inheritance tax</b>						
Relief for estates left on death for:						
Agricultural property*	395	435	510	500	515	
Business reliefs including unlisted shares*	580	575	690	655	710	22
Exemption of transfers to charities on death*	600	640	790	810	820	
Conditional exemption for Heritage Property						
<b>Value added tax</b>						
Zero-rating of:						
Food	16600	16800	16850	16900	17800	23
Construction of new dwellings (includes refunds to DIY builders)*	7200	9550	10800	12750	13450	23,24
Domestic passenger transport	4200	4600	4800	4750	5050	23
International passenger transport (UK portion)*	300	350	350	350	400	23
Books, newspapers and magazines	1550	1650	1550	1550	1650	23
Children's clothing	1750	1850	1850	1850	1950	23
Water and sewerage services	2100	2200	2200	2250	2350	23
Drugs and supplies on prescription*	3150	3300	3200	3350	3550	23
Supplies to charities*						23
Certain ships and aircraft						23
Vehicles and other supplies to disabled people*	850	900	950	1050	1100	23,25
Reduced rate for:						
Domestic fuel and power	4550	4650	4250	4400	4650	23,26
Certain residential conversions and renovations*						23,26
Reduced rate of VAT on energy saving materials*	100	130	130	50	50	23,26
<b>Excise taxes</b>						
Small Brewers Relief	50	55	55	65	70	
Small Lottery Exemptions (Licensed)	45	55	60	65	70	
<b>Climate change levy</b>						
Reduced rate for participants in Climate Change agreements	225	155	155	200	205	27
Exemption of electricity generated from certain renewable resources	265	395	285	20	neg	28
Exemption of supplies (other than self-supplies) to CHP stations	115	115	115	135	190	29
Exemptions for energy used in metallurgical and mineralogical processes	0	140	135	125	130	27
<b>Carbon Price Floor</b>						
Exemption for fossil fuels used in a combined heat and power station to generate good quality electricity consumed on-site	0	0	45	55	60	30
<b>Air Passenger Duty</b>						
Exemption for children aged between two and sixteen	0	0	75	170	180	31
<b>Structural Reliefs</b>						
<b>Income tax</b>						
Personal allowance	83500	88900	93800	97500	101300	32

Personal savings allowance				380	340	<u>33</u>
Personal dividend allowance				1330	1360	<u>34</u>
<b>Income tax and Capital Gains Tax</b>						
Foreign Tax Credits and reliefs under Double Taxation Agreement	1500	1500	1600	1,500	1,500	<u>35</u>
<b>Corporation tax</b>						
Tonnage tax	100	95	95	105	115	<u>36</u>
Double Taxation Relief	4495	3570	2535	2550	3200	<u>37</u>
<b>National insurance contributions</b>						
Primary Threshold	22100	23200	23800	24200	24900	
Secondary Threshold	26200	27700	27800	28200	28700	
Lower Profits Limit	2100	2100	2040	2070	2110	
Contracted-out rebate occupational schemes:*						
Rebates deducted at source by employers	6000	5840	5730	-	-	<u>38</u>
Exemption for individuals over State Pension Age	975	1040	1180	1140	1110	<u>63</u>
<b>Value added tax</b>						
Refunds to:						
Northern Ireland Government bodies of VAT incurred on non-business purchases under the Section 99 refund scheme	400	400	400	400	400	<u>23</u>
Local Authority-type bodies of VAT incurred on non-business purchases under the Section 33 refund scheme (includes academies, museums and galleries under the Section 33A refund scheme)	9750	9800	10200	10000	10400	<u>23</u>
Central Government, Health Authorities and NHS Trusts of VAT incurred on contracted-out services under the Section 41(3) refund scheme	6100	6150	6300	6350	6600	<u>23</u>
<b>Hydrocarbon oils duty</b>						
Tied oils scheme (Industrial Relief Scheme)	1280	1085	1320	1430	1280	<u>39</u>
Rebated rate for gas oil ("red diesel")	2415	2510	2440	2430	2450	
<b>Air Passenger Duty</b>						
Exemption for Cabin Crew	155	165	165	170	175	
<b>Climate change levy</b>						
Supply of taxable commodities not for burning or consuming in the UK	240	280	310	255	260	
<b>Carbon price floor</b>						
Exemption for fuels used in combined heat and power stations to produce non-electrical outputs	25	50	90	100	105	<u>40</u>
<b>Reliefs with Tax Expenditure and Structural Components</b>						
<b>Income tax</b>						
Age-related Personal allowances	1030	495	20	-	-	<u>32.41</u>
Married Couple's Allowance	345	330	290	245	200	<u>32.42</u>
Marriage Allowance*			490	535	615	<u>43</u>
Exemption of:						
British Government securities where owner not ordinarily resident in UK*	3000	2750	2350	2550	2750	
Attendance allowance*	465	490	430	430	430	
Disability living allowance*	785	940	870	895	930	
War disablement benefits*	65	45	50	50	55	
<b>Corporation tax</b>						
Small companies' reduced corporation tax rate	1585	635	0	0	0	<u>44</u>
Offshore (North Sea) CT: reduction in Supplementary Charge arising from field and investment allowances*	45	60	130	50	150	<u>45</u>
<b>Income tax and corporation tax</b>						
Capital allowances*	22580	23365	19805	23060	21495	<u>46</u>
Of which: Annual Investment Allowance	2700	3225	3325	2820	2520	<u>47</u>
<b>National insurance contributions</b>						
Reduced contributions for self-employed not attributable to reduced pensions eligibility	3050	3000	2500	3950	4100	<u>49</u>
<b>Petroleum revenue tax</b>						
Oil allowance	80	35	35	0	0	<u>50</u>
<b>Inheritance tax</b>						
Nil rate band for chargeable transfers not exceeding the threshold for estates left on death*	19750	19800	21850	21350	20500	<u>51</u>
Exemption of transfers on death to surviving spouses*	2900	2900	2900	2900	2950	<u>52</u>
<b>Stamp Duty Land Tax</b>						
Transfers to Charities	175	190	280	220	250	<u>53</u>
Group Relief	825	1175	2015	1070	1085	<u>53</u>
Transfers to Registered Social Landlords	70	80	80	50	30	<u>53</u>
Transfers Involving Multiple Dwellings	25	35	50	60	50	<u>54.55</u>
Pre-completion transaction	70	105	105	140	115	
First Time Buyers (as per 23/11/2017)					125	<u>56</u>
<b>Value added tax</b>						
Exemption of:						
Rent on domestic dwellings*	4950	4950	5300	5550	5850	<u>23.57.58</u>
Supplies of commercial property*						<u>23.57</u>
Education*	3600	3850	3850	3700	3900	<u>23.57</u>
Health Services*	2800	3100	3000	3550	3700	<u>23.57</u>
Postal services						<u>23.57</u>
Burial and cremation	250	250	300	250	300	<u>23.57</u>
Finance and insurance*	10900	10900	9750	10400	10950	<u>23.57.62</u>
Betting and gaming and lottery duties*	1300	1450	1500	1400	1500	<u>23.57.59</u>
Small traders below the turnover limit for VAT registration*	1400	1650	1850	2000	2100	<u>23.57</u>
<b>Vehicle Excise Duty</b>						
Exemption for disabled motorists	210	205	190	175	175	<u>60</u>
Exemption for Historic Cars*	70	75	80	90	95	<u>61</u>

\* These figures are particularly tentative and subject to a wide margin of error.

## Estimated costs of the principal tax expenditure and structural reliefs table notes

- 1 The cost of the tax relief is calculated as if occupational and personal pension schemes were unregistered and the relevant tax privileges lost both in respect of employer and employee contributions. Employer contributions are treated as otherwise forming part of employee remuneration, and taxed as such. The figure provided is the sum of relief on contributions paid plus the relief on investment income of funds net of tax paid on current pension payments.
- 2 In July 2014, the Adult ISA limit was increased to £15,000. The restriction that at most half of that limit can be saved in cash was also removed. The limit was increased to £15,240 for the 2015-16 tax year and remained at this limit for 2016-17. The limit for 2017-18 is £20,000. The increase in the cost of ISAs prior to this is driven by improved returns to stocks and shares, and increased overall accumulated wealth in ISAs. Figures show the effects of taxing the interest and dividend income generated from assets held in these accounts. Estimates do not make any allowance for the personal savings or personal dividend allowance. HMRC's published ISA statistics give further information on subscriptions and market values, broken down by age, gender, region and income: <http://www.hmrc.gov.uk/statistics/isas.htm>
- 3 Due to isolated changes in the pattern of awards amongst larger SIP schemes, the cost of this relief was high in 2013-14. Due to data being unavailable for 2014-15, estimates for 2014-15 are based on data for preceding years. The large increases were not expected to be indicative of persistent changes and outturn data for 2015-16 shows that the cost has returned to previous levels. The cost of this relief tends to be consistent and forecasts for 2016-17 and 2017-18 reflect this.
- 4 Excludes the cost of the tax-free bonus or interest received under a Save As You Earn contract. Due to data being unavailable for 2014-15, estimates for 2014-15 are based on data for preceding years. The large increase in 2015-16 could be due to the fact that 2008-09 to 2010-11 were popular years for participation in SAYE schemes and options are typically exercised 3, 5 and 7 years after they are granted. Given the volatility in the cost of this relief from year to year, forecasts have been set at the same level of the most recent year for which data is available.
- 5 Due to issues with the new online Employment Related Securities system in the first year of operation, 2014-15 data is not available. The cost of reliefs for 2014-15 are therefore estimates based on data for preceding years. The large increase in the cost of EMI relief could be due to prices being high for unquoted shares in 2015-16, incentivising the high number of individuals granted options in 2005-06 to 2007-08 to exercise within 10 years to benefit from the tax advantages offered by the scheme.
- 6 Due to issues with the new online Employment Related Securities system in the first year of operation, 2014-15 data is not available. The cost of reliefs for 2014-15 are therefore estimates based on data for preceding years. The large decrease in the cost is due to a lower number of employees exercising options in 2015-16. Given the volatility in the cost of these reliefs from year to year, forecasts have been set at the same level of the most recent year for which data is available.
- 7 These figures only include the income tax cost: Capital Gains Tax is shown separately later in this spreadsheet (for EIS) and in the Minor Reliefs table at [www.gov.uk/government/statistics/minor-tax-expenditures-and-structural-reliefs](http://www.gov.uk/government/statistics/minor-tax-expenditures-and-structural-reliefs) (for SEIS and VCTs). The drop in 2015-16 and 2016-17 for EIS reflects new measures restricting the use of investment within the scheme.
- 8 These estimates relate to subscriptions and fees reported to HMRC and identifiable in HMRC data. Among relief amounts excluded are subscriptions and fees reimbursed by employers and covered by dispensations, as well as amounts included in relief claims on short self-assessment returns.
- 9 These figures include all three forms of employer-supported childcare: workplace nurseries, childcare vouchers and directly contracted childcare.
- 10 Figures show the effects of taxing the income generated from assets held in these accounts. Estimates do not make any allowance for the personal savings or personal dividend allowance.
- 11 These figures comprise the total sum paid to charities and other qualifying bodies in respect of income tax deducted at source from eligible investment income and basic rate tax relief on donations under the Gift Aid scheme. Information is not available about income received by these bodies without deduction of tax, and no allowance is made for this. The figures also include an estimate of income tax relief, which is received by donors. In terms of the columns of the Charities National Statistics publication (Table 10.2), these figures correspond to Tax Repayments plus Payroll Giving plus Gifts of shares and property plus Higher rate relief.
- 12 These figures represent only the negative tax element of the tax credit payments. Negative tax is that part of the tax credit which is less than or equal to the tax liability of the family. The equivalent figures for the public expenditure element of tax credit payments are £27,016 million in 2013-14 and £27,032 million in 2014-15. Following the ESA2010 review, the Office for National Statistics and the Office for Budget have removed the classification of negative tax from 2015-16 onwards.
- 13 The figures include the negative tax and payable element of the R&D tax credits. 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. The figures include estimates for the Research & Development Expenditure Credit (RDEC), also known as 'Above the Line' Credit, introduced in April 2013. The rising cost over time is due to growth in qualifying R&D expenditure, as well as increases in the R&D relief rates for both the SME and RDEC schemes.
- 14 The figures 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. For Film Tax Relief, the larger year-on-year increases in 2013-14 to 2015-16 reflect increases in the relief rate and growth in qualifying expenditure.
- 15 The increase in cost in 2014-15 and 2015-16 is due to growth in underlying expenditure qualifying for the relief.
- 16 The Patent Box enables companies to apply a lower 10% rate of Corporation Tax to profits earned after 1 April 2013 from their patented inventions. The full benefit of the regime is being phased in over 4 years from 1 April 2013, which explains why the cost increases over time. Companies have up to two years after the end of the accounting period to which they wish the regime to apply to make an election into the Patent Box. This means that costs for 2015-16 onwards are projections.
- 17 This is a combination of National Insurance relief for employers on the pension contributions they make as well as the saving for individuals from the employers contributions not being treated as part of their gross income and subject to employee National Insurance contributions (in accordance with how individuals' own pension contributions are treated).
- 18 The employment allowance was introduced at a value of £2,000 in 2014-15 and increased to £3,000 in 2016-17 increasing the overall cost of the allowance from 2016-17.
- 19 The estimated cost of this exemption from capital gains tax does not represent the yield if this exemption were to be abolished, as consequential behavioural effects would substantially reduce yield. Figure for 2017-18 is a projection. The increase over time is due to growth in house prices and transaction volumes.
- 20 The estimated cost of this exemption does not represent the yield if this exemption were to be abolished, as consequential behavioural effects would substantially reduce yield. Entrepreneurs' Relief is available to individuals and partners and certain trustees. Where qualifying conditions are met it applies to, broadly: sales of the whole or part of an unincorporated trading business, including trading partnerships; disposals of former trade assets after the unincorporated business has ceased; disposals by directors/employees of shareholdings of 5% or more in trading companies (and holding companies of trading groups); disposals of trade assets associated with qualifying disposals of partnership interests or shares; disposals by trustees where a beneficiary has a qualifying interest in the company/business in question. The cost of the relief is calculated by applying the difference between the standard rates of Capital Gains Tax and the reduced Entrepreneurs' Relief rate (10%) to the relevant gains. The increase in the cost in the relevant years directly reflects increases in the value of gains realised, or projected to be realised, on which tax is liable at the Entrepreneurs' Relief rate. This in turn is largely the result of equity price movements. The fall in 2016-17 reflects falls in CGT rates for disposals not qualifying for Entrepreneurs' Relief, applying to disposals other than on residential property.
- 21 Deferral of Capital Gains Tax is available on reinvestment of gains into the Enterprise Investment Scheme, until realisation of such gains. Exemption of Capital Gains Tax is available on gains arising in the Enterprise Investment Scheme. The drop in 2015-16 and 2016-17 reflects new measures restricting the use of investment within the EIS scheme.
- 22 These figures were calculated using the average tax-effective level of Inheritance Tax business reliefs (including reliefs for unlisted shares) claimed for deaths which occurred during the five years from 2009/10 to 2013/14 as there are significant variations from year to year.
- 23 Some of these tax expenditures and reliefs are mandatory or permitted under the European Commission 6th VAT Directive and some are derogations from the Directive. All the cost estimates relating to VAT are based on the actual standard rate of VAT that applied in the relevant periods. The calculations for these estimates do not include any behavioural effects.
- 24 The increase in the cost of the zero rate between 2013-14 and 2014-15 is due to the fact that DCLG data on the number of completed constructions of new dwellings suggests that there was an acceleration in completions in 2014-15.
- 25 Costs exclude the zero-rating of items covered by other reliefs.
- 26 The figures for all reduced-rate items are estimates of the cost of the difference between the standard rate of VAT and the reduced rate of 5 per cent. The reduction in the cost of the reduced rate for domestic fuel and power from 2015-16 is the result of reductions in suppliers' prices.
- 27 From April 2014, a new exemption from CCL for mineral and metallurgical processes came into effect. These processes were previously covered by the reduced rate for Climate Change Agreements (CCAs). The large decrease in CCA relief from 2014-15 relates to the introduction of this new exemption. The increase in Climate Change Agreements in 2016-17 relates to updated data on CCAs and updates to the methodology of the CCL forecast.
- 28 Supplies of electricity derived from renewable sources excluding those from hydro-electric stations with more than 10 Megawatts generating capacity. Decreases compared to previous publications are due to improvements to underlying data on the use of this relief. This exemption was withdrawn at Summer Budget 2015. Use of the relief is expected to tail off completely in later years while companies wind down their unused stock of levy exemption certificates.
- 29 The estimates are higher than previously published due to an update to the tax base and recent outturn data.
- 30 New exemption that came into effect in April 2015.
- 31 The exemption came into effect for children aged between 2 and 12 on the date of travel from 1 May 2015, and was extended to children aged between 2 and 16 on the date of travel from 1 March 2016.
- 32 The costs of the personal income tax allowances do not cover individuals who are not on HMRC records because their income is below the tax threshold.
- 33 The Personal Savings allowance was introduced in 2016-17, giving a tax-free allowance on total savings income below the threshold of £1,000. The tax-free allowance is dependent on the top marginal tax rate on an individual's total income, with the threshold being halved for higher rate taxpayers and set to £0 for additional rate taxpayers. Figures show the effects of taxing the interest incomes generated from assets not covered by ISA or any structural exemptions.
- 34 The Dividend tax allowance was introduced in April 2016, which gives a tax-free allowance on total dividend income below £5,000. Figures show the effect of taxing dividend incomes generated from assets not covered by ISA or any structural exemptions.
- 35 Includes foreign tax credit reliefs on income tax, capital gains tax and dividends. The dividend tax credit on UK and some foreign dividends was abolished from April 2016, which reduces the cost in 2016-17. Also includes relief claimed under Double Taxation Agreements between the UK and other countries and relief claimed because of other provisions of the relevant Double Taxation Agreements.
- 36 Concessionary tax regime for shipping companies. The estimates are for reductions in tax liabilities accruing for the years shown.
- 37 The projections are based on statistics and the latest forecasts of foreign income. As before, the cost of DTR fell beyond 2013-14. We have used outturn data for 2014/15 and 2015/16, which is a revision down from the forecast provided last year. This combined with a smaller pick-up of foreign income growth (than that previously expected) for 2016/17 results in downward revisions of costs in 16/17 since the last publication.
- 38 The contracted-out rebate was abolished in April 2016.
- 39 Exempt oils used for purposes other than heating and in engines. The decrease in 2014-15 was largely driven by a decrease in naphtha consumption in that year.
- 40 The tax base of the relief is forecast to grow in the first few years.

41 These figures represent the cost of the excess of the age-related personal allowance (PA) over the corresponding allowances of non-aged taxpayers. The cost is reducing due to an increase in the normal PA. In 2012-13 PA is £8,105 and aged PAs are £10,500/£10,660. In 2013-14 PA is £9,440 and aged PAs are £10,500/£10,660. In 2014-15 PA is £10,000 and aged PAs are £10,500/£10,660. In 2015-16 PA is £10,600 and aged PAs are £10,600/£10,660. The PA and aged PAs are aligned from 2016-17.

42 Available to people born before 6 April 1935. Tax relief is given at the rate of 10 per cent of the allowance.

43 The Marriage Allowance was available from 2015-16. It allowed the transfer of 10% of the tax free personal allowance between couples who are married or in civil partnerships, were born after 6th April 1935 and one partner had an annual income at or below the tax free personal allowance for the tax year, (plus from 2016-17, up to £5,000 of tax-free savings interest) and the other partner's annual income was between the tax free personal allowance and the higher rate threshold for the tax year. The figures reflect the anticipated full take up of the allowance when all retrospective claims have been made, as the allowance can be claimed retrospectively for up to four years.

44 The year on year decreases are due to the reduction in the difference between the Small Profits Rate and the Main Rate. The Small Profits Rate remained at 20% since 2012-13, whilst the Main Rate has steadily reduced from 24% in 2012-13 to 21% in 2014-15. Both the Small Profits Rate and the Main Rate were replaced by a single combined Corporation Tax rate set at 20% in 2015-16 meaning there is no difference from 2015-16 onwards.

45 These figures represent the reduction in Ring-Fence Corporation Tax (the Supplementary Charge element) due to field and investment allowances. This has been calculated using company returns data. The growth in this figure since 2013/14 is due to increasing amounts of production revenues which qualify for the relief as well as the wider availability of reliefs. Figures for 2016-17 and 2017-18 are estimates as returns data are not yet available. The projected decrease in the amount of relief between 2015-16 and 2016-17 and subsequent increase in 2017-18 is consistent with changes in the Ring Fence CT forecast.

46 The estimates for capital allowances are calculated as reductions in tax liabilities accruing for the years shown and take account of estimated balancing charges. Figures have changes since the 2016 publication due to a change in the methodology whereby plant and machinery allowances (AIA, main and special rate) are now mutually exclusive as previous methodology displayed some double counting. The decrease between 2014/15 and 2015/16 is due to offshore expenditure attributable to Capital Allowances reducing by £3.7bn. Capital Allowances (excluding offshore attributable expenditure) is consistent with Corporation Tax Statistics whereby respectively Capital Allowances increased by 4% from 2014/15 to 2015/16. Against this, reductions in the Corporation tax rate over the years shown have a downward effect on the cost of Capital Allowances.

47 The Annual Investment Allowance enables 100% deductions to be made for qualifying expenditure in the year in which it is made up to a maximum level. The Annual Investment Allowance threshold was increased to £250,000 in 2013-14 (from £25,000 for most of 2012-13), resulting in a significant increase in cost in that year. The increase in business investment in 2013-14 referred to in the previous note may also account for some of the increase. In 2014-15 the threshold was raised again to £500,000, resulting in a further increase in cost. The AIA was permanently set at £200,000 from 1st January 2016, so costs are expected to fall back in 2016-17.

48 The overall reduction in figures is due to an adjustment in methodology used to calculate this series. The drop in 2016/17 reflects Budget 2016 cut in CGT rates for shares and commercial property from 28% to 20% for the higher rate and 18% to 10% for the basic rate.

49 Represents the difference between Class 2 and 4 NICs paid by the self employed on their profits and an estimate of the Class 1 NICs that would be paid at contracted out rates on an equivalent amount of employee earnings. The Class 1 estimate includes employer contributions due but assumes a corresponding reduction in earnings to hold staff costs broadly constant, and also takes account of the resulting reduction in income tax.

50 These figures are net of any consequential effect on corporation tax and represent the effect on calendar year accruals for fields where PRT is paid. The reduction in the outturn and forecasts results from a combination of declining production (which qualifies for oil allowance) and lower amounts of available oil allowance (as it has been used up). The reduction in costs to zero since 2016-17 is the effect of the reduction in the rate of PRT to 0% from the start of 2016.

51 Includes the cost of the transferable nil rate band. The large increase in 2015-16 reflects the high level of inheritance tax receipts in this year. This is due to a significant increase in the number of deaths between December 2014 and March 2015 compared with previous years. The decrease in the cost of this relief in 2017-18 is due to the introduction of the residence nil rate band in April 2017.

52 Includes civil partnerships. These costs are only in respect of transfers for which an account is submitted to HMRC.

53 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 payable on the portion of the property value which falls within each band. The large year on year changes are a result of a number of factors including the reform, but can also be significantly affected by occasional very large relief claims.

54 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 payable on the portion of the property value which falls within each band.

55 This relief was introduced in July 2011 and figures now represent a full year's cost.

56 First-time buyers' relief was announced and implemented at Autumn Budget 2017. The figure for 2017-18 represents the estimated cost to HMRC for the remainder of the year.

57 Traders are unable to charge output tax on exempt goods and services, but are also unable to reclaim input tax. These estimates reflect the net effect of the VAT exemption, compared to applying the standard rate of VAT. There may also be some additional revenue gain as a result of the exemption; some of the costs of irrecoverable input tax may be reflected within the prices of intermediate goods and services. This could then feed through the supply chain to the final prices of other taxable goods and services, and to the amount of VAT collected on them. This additional effect is not included in the estimates explicitly.

58 The increase in the estimated cost of this exemption is due to changes in ONS data on actual rentals.

59 This includes the effect of changes to Amusement Machine Licence Duty in February 2013, which has resulted in an extension of the VAT exemption.

60 The downward trend in this exemption is related to changes to who may claim the enhanced rate mobility component of the Personal Independence Payment (PIP), along with a reduction in average VED rates over time due to increasingly efficient vehicle stock.

61 The increase in this exemption over time is due to a new annual cohort of cars becoming eligible for the exemption each year.

62 The estimates have been revised to take on both new ONS data and to correct an error, which had misallocated ONS data on business spending on financial services.

63 The estimated cost of this exemption does not represent the yield if this exemption were to be abolished as other behavioural responses, including a possible increase in State Pension expenditure, would be expected to substantially reduce the yield.