

2.6 Income tax liabilities, by income source, tax band and marginal rate, 2016-17 to 2019-20

2016-17						
Amounts: £ million						
	Starting rate (1) taxpayers	"Savers" rate (2) taxpayers	Basic rate (3) taxpayers	Higher rate (4) taxpayers	Additional rate (5) taxpayers	All taxpayers
Tax liability after allowances given as income tax reductions (6)						
Tax on Earnings:						
Basic rate	.	.	56,800	25,700	2,180	84,700
Higher rate	.	.	.	34,100	15,200	49,400
Additional rate	29,100	29,100
Tax on Savings:						
Starting rate
Basic rate	.	33	159	129	14	335
Higher rate	.	.	.	471	179	650
Additional rate	659	659
Tax on dividends (after personal dividend allowance) (7):						
Ordinary rate	.	574	280	676	13	1,540
Higher rate	.	.	.	3,770	873	4,640
Additional rate	3,200	3,200
Allowances given as tax reductions	.	3	213	316	1,800	2,330
Tax liability after allowances given as income tax reduction	.	607	57,300	64,900	51,500	174,000
Average Rate of Tax %	.	3.4	9.6	21.8	38.2	16.7
Average amount of tax £	.	1,030	2,210	14,700	144,000	5,580

2.6 Income tax liabilities, by income source, tax band and marginal rate, 2016-17 to 2019-20

continued

2017-18 ^(8,9)

Amounts: £ million

	Starting rate (1) taxpayers	"Savers" rate (2) taxpayers	Basic rate (3) taxpayers	Higher rate (4) taxpayers	Additional rate (5) taxpayers	All taxpayers
<i>Tax liability after allowances given as income tax reductions (6)</i>						
<i>Tax on Earnings:</i>						
Basic rate	.	.	59,400	25,700	2,440	87,500
Higher rate	.	.	.	33,500	16,200	49,700
Additional rate	31,300	31,300
<i>Tax on Savings:</i>						
Starting rate
Basic rate	.	30	143	111	12	297
Higher rate	.	.	.	393	151	544
Additional rate	559	559
<i>Tax on dividends (after personal dividend allowance) (7):</i>						
Ordinary rate	.	679	326	631	12	1,650
Higher rate	.	.	.	4,100	801	4,900
Additional rate	4,850	4,850
Allowances given as tax reductions	.	3	186	306	1,910	2,400
<i>Tax liability after allowances given as income tax reduction</i>	.	709	59,800	64,500	56,400	181,000
<i>Average Rate of Tax %</i>	.	3.5	9.6	21.8	38.1	16.7
<i>Average amount of tax £</i>	.	1,090	2,290	15,300	148,000	5,790

2.6 Income tax liabilities, by income source, tax band and marginal rate, 2016-17 to 2019-20

continued

2018-19 (8,9,10)

Amounts: £ million

	Starting rate (1) taxpayers	"Savers" rate (2) taxpayers	Basic rate (3) taxpayers	Higher rate (4) taxpayers	Additional rate (5) taxpayers	All taxpayers
<i>Tax liability after allowances given as income tax reductions (6)</i>						
<i>Tax on Earnings:</i>						
Basic rate	.	2	61,200	26,700	2,710	90,600
Higher rate	.	.	.	33,800	17,300	51,000
Additional rate	33,500	33,500
<i>Tax on Savings:</i>						
Starting rate
Basic rate	.	39	183	150	17	388
Higher rate	.	.	.	507	206	713
Additional rate	787	787
<i>Tax on dividends (after personal dividend allowance) (7):</i>						
Ordinary rate	.	885	489	788	15	2,180
Higher rate	.	.	.	4,770	937	5,710
Additional rate	5,360	5,360
Allowances given as tax reductions	.	4	167	324	2,010	2,500
<i>Tax liability after allowances given as income tax reduction</i>	.	926	61,900	66,600	60,800	190,000
Average Rate of Tax %	.	3.8	9.6	21.8	38.1	16.8
Average amount of tax £	.	1,100	2,360	15,600	148,000	6,000

2.6 Income tax liabilities, by income source, tax band and marginal rate, 2016-17 to 2019-20

continued

2019-20 (8,9,10)

Amounts: £ million

	Starting rate (1) taxpayers	"Savers" rate (2) taxpayers	Basic rate (3) taxpayers	Higher rate (4) taxpayers	Additional rate (5) taxpayers	All taxpayers
<i>Tax liability after allowances given as income tax reductions (6)</i>						
<i>Tax on Earnings:</i>						
Basic rate	.	2	64,300	25,900	3,130	93,300
Higher rate	.	.	.	31,400	17,900	49,300
Additional rate	35,500	35,500
<i>Tax on Savings:</i>						
Starting rate
Basic rate	.	50	235	176	22	484
Higher rate	.	.	.	559	255	814
Additional rate	998	998
<i>Tax on dividends (after personal dividend allowance) (7):</i>						
Ordinary rate	.	973	559	770	19	2,320
Higher rate	.	.	.	4,620	1,030	5,650
Additional rate	5,710	5,710
Allowances given as tax reductions	.	5	148	310	2,110	2,570
<i>Tax liability after allowances given as income tax reduction</i>	.	1,020	65,100	63,400	64,600	194,000
Average Rate of Tax %	.	3.8	9.6	21.7	38.0	16.6
Average amount of tax £	.	1,150	2,480	16,500	147,000	6,180

Source: Survey of Personal Incomes.

Table updated June 2019

Key

- negligible
- . not applicable / zero

Footnotes for table 2.6

(1) Taxpayers with no taxable earnings and total taxable income from savings below the starting rate limit. From 2015-16 the starting rate of tax for savings income has been reduced from 10% to 0%, and the starting rate limit has been increased to £5,000.

(2) Before 2016-17 taxpayers with no taxable earnings and total taxable income from savings between the starting rate limit and the basic rate limit and/or dividends at the 10p ordinary rate. From 2016-17 taxpayers with no taxable earnings and total taxable income from savings charged at the 20p rate and/or dividends at the 7.5p rate.

(3) Taxpayers whose income includes earnings or other income taxed as earnings and with total taxable income below the basic rate limit.

(4) Taxpayers with total taxable income between the basic rate limit and the higher rate limit.

(5) Taxpayers with total taxable income above the higher rate limit.

(6) In this context tax reductions refer to allowances given at a fixed rate, for example the Married Couples Allowance.

(7) Prior to 2016-17, total income included the amount of dividends plus dividend tax credit (one ninth of the dividend), the grossed dividend, and income tax is charged on the grossed dividend. The tax due could be satisfied (in part) by the notional tax credit (10% of the grossed dividend). Hence, tables for 2015-16 and earlier reflected the grossed dividend in total income and showed the income tax liability before the tax credit was offset. From 2016-17 the dividend tax credit is abolished, effective dividend tax rates are increased by 7.5% and a £5,000 Personal Dividend Allowance is introduced (reduced to £2,000 from 2018-19). This affects the measure of total income, income range and marginal rate band, and leads to a discontinuity in the basis on which tax liabilities are presented between 2015-16 (and earlier) and 2016-17, so the share of incomes and tax liabilities are not directly comparable. For this reason comparing dividend tax liabilities between 2016-17 and 2015-16 is not a reliable indication of the impact of the 2016-17 dividend tax reform.

(8) Projected estimates based upon the 2016-17 Survey of Personal Incomes using economic assumptions consistent with the OBR's March 2019 economic and fiscal outlook.

(9) From 2017-18, individuals who are classified as resident in Scotland and have total taxable income above the Scottish basic rate limit (BRL) but below the UK government's BRL have their marginal rate classified based on their income within this notional band. For these taxpayers, non-savings non-dividend (NSND) income within this band is taxed at the higher rate, whereas savings and dividends income is taxed at the basic rate. A Scottish taxpayer with any taxable NSND income within this band (but no total taxable income above the UK BRL) is classified as a higher rate taxpayer, as this is the top rate they are paying. A Scottish taxpayer with only savings and/or dividend income within this band (and no total taxable income above the UK BRL) is classified as a basic rate taxpayer.

(10) From 2018-19, individuals who are classified as resident in Scotland and have total taxable income in the Scottish starter rate or Scottish intermediate rate have their marginal rate classified based on their income within this notional band. For these taxpayers, non-savings non-dividend (NSND) income within these bands is taxed at a 19% or 21% rate respectively, whereas savings and dividends income is taxed at the basic rate. A Scottish taxpayer with any taxable NSND income within these bands (but no total taxable income above the UK BRL) is classified as a basic rate taxpayer, as this is the top rate they are paying. A Scottish taxpayer with only savings and/or dividend income within this band (and no total taxable income above the UK BRL) is classified as a basic rate taxpayer.

The following is a link to the income tax liabilities national statistics homepage, which includes a bulletin providing a detailed analysis of income taxpayer numbers and tax liabilities:

<https://www.gov.uk/government/collections/income-tax-statistics-and-distributions>

We strive to improve the quality and accessibility of our National Statistics and Bulletin, your feedback is crucial in this process. We welcome your suggestions on any of the Statistics and Bulletin in this Income Tax Liabilities publication:

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