Estimated costs of principal tax reliefs*

The estimates for Marriage Allowance have been revised and were re-published on 30th May 2019. This is in line with our published revisions policy of releasing revised statistics if additional information becomes available. The rest of the estimates are unchanged.

£m

Tax Expenditures	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Table Note	No of claimants**	Year**
Income tax									
Relief for:									
Registered pension schemes	19,700	18,300	21,500	23,500	24,300	25,600	1	-	
Individual Savings Accounts	2,550	2,350	2,600	2,700	2,900	3,150	2	22,148,000	2015-16
Share Incentive Plan	300	220	270	240	240	240	3,5	-	
Save As You Earn	180	180	210	100	100	100	4,5	140,000	2016-17
Enterprise Management Incentives	70	70	110	190	190	190	5	7,000	2016-17
Approved Company Share Option Plans	70	70	50	30	30	30	6	10,000	2016-17
Venture Capital Trusts	130	130	135	170	225	175	7	13,000	2015-16
Enterprise Investment Scheme	450	540	545	590	650	600	7	35,000	2015-16
Seed Enterprise Investment Scheme	85	85	85	95	105	105	7	9,600	2015-16
Professional subscriptions	120	130	135	140	140	145	8	1,300,000	2016-17
Employer Supported Childcare including workplace nurseries	440	460	480	490	520	430	9	820,000	2018-19
Seafarers' Earnings Deduction	280	280	250	240	230	230		20,000	2017-18
Rent a room	110	80	110	130	140	150		150,000	2016-17
Wear and tear allowance	195	220	220	0	0	0	10	800,000	2015-16
Exemption of:									
First £30,000 of payments on termination of employment	900	700	1,000	1,200	1,200	900		300,000	2018-19
Interest on National Savings Certificates including index-linked certificates	250	250	250	250	250	250	11	-	
Premium Bond prizes	130	130	130	130	130	130	11	-	
Income of charities	1,570	1,790	1,920	1,880	1,870	1,990	12	-	
Foreign service allowance paid to Crown servants abroad	60	50	45	50	60	55		-	
Dividends from Venture Capital Trusts	60	60	55	30	35	60	13	-	
Corporation tax									
R&D tax relief: SME scheme	705	1,320	1,755	1,835	1,915	1,840	14,15	34,000	2016-17
R&D tax relief: Large company & RDEC schemes	930	1,625	1,925	1,610	1,680	1,735	14,15	5,900	2016-17
Film Tax Relief	265	305	405	510	530	545	16	600	2016-17
High-end TV Relief	60	120	170	155	160	165	16,17	150	2016-17
Video Games Relief	-	70	85	65	65	70	16,17	260	2016-17
Theatre Tax Relief	-	15	55	55	55	60		570	2016-17
Patent Box	365	650	755	1,085	1,085	1,085	18	1,200	2015-16
National insurance contributions									
Relief for:									
Share Incentive Plan	220	165	200	170	170	170	3,5	-	
Save As You Earn	140	140	150	80	80	80	5	140,000	2016-17
Enterprise Management Incentives	40	40	50	90	90	90	5	7,000	2016-17
Employer Supported Childcare including workplace nurseries	350	380	400	410	420	370	9	820,000	2018-19
Foreign service allowance paid to Crown servants abroad	50	40	35	40	45	45		-	
Employer contributions to registered pension schemes	13,800	13,700	15,800	16,200	17,400	18,100	21	-	
Employment Allowance	-	1,400	1,500	2,000	2,100	2,100	22	1,178,000	2017-18
Abolition of employer National Insurance Contributions for under 21s	-	-	500	600	600	600	23	300,000	2017-18
Abolition of employer National Insurance Contributions for apprentices under 25	-	-	-	100	100	100	24	60,000	2017-18
Capital gains tax									
Exemption of gains arising on disposal of only or main residence	20,500	23,300	26,100	25,700	26,900	27,200	25	-	
Relief for entrepreneurs' qualifying business disposals	2,700	3,500	4,200	2,100	2,300	2,400	26	41,000	2016-17
Relief on investments in Enterprise Investment Schemes	115	135	120	125	145	120	27	-	
Inheritance tax									
Relief for estates left on death for:									
Agricultural property	395	435	335	360	355	365		1,300	2015-16
Business reliefs including unlisted shares	580	575	595	660	690	710	28	2,190	2015-16
Exemption of transfers to charities on death	600	640	840	960	835	840		9,970	2015-16
Reduced rate for leaving 10 per cent of an estate to charity	25	35	35	45	50	50	29	2,020	2015-16
Value added tax									
Zero-rating of:									
Food	16,550	16,550	16,650	16,950	17,900	18,600	30	-	
Construction of new dwellings (includes refunds to DIY builders)	7,200	9,550	10,800	12,750	13,050	13,550	30,31	-	
Domestic passenger transport	4,200	4,600	4,800	4,800	4,900	5,100	30	-	
International passenger transport (UK portion)	300	350	350	350	350	350	30	-	
Books, newspapers and magazines	1,400	1,400	1,400	1,450	1,450	1,500	30	-	
Children's clothing	1,550	1,650	1,750	1,800	1,950	2,000	30	-	
Water and sewerage services	2,100	2,200	2,150	2,250	2,350	2,450	30	-	
Drugs and supplies on prescription	3,150	3,300	3,200	3,350	3,200	3,350	30	-	
Vehicles supplied to disabled people	750	800	850	950	900	900	30,32	-	
Reduced rate for:									
Domestic fuel and power	4,750	4,600	4,400	4,350	4,700	4,850	30,33	-	
Reduced rate of VAT on energy saving materials	100	130	130	80	70	75	30,33	-	
Excise taxes									
Small Brewers Relief	50	55	55	65	55	60		2,400	2017-18
Small Lottery Exemptions (Licensed)	45	55	60	65	70	80		-	
Air Passenger Duty									
Exemption for children aged between two and sixteen	-	-	70	165	210	265	34	-	
Structural Reliefs									
Income tax									
Personal allowance	83,500	88,900	95,400	99,000	103,000	107,000	35	47,300,000	2018-19
Personal savings allowance	-	-	-	405	375	455	36	18,300,000	2018-19
Personal dividend allowance	-	-	-	1,270	1,320	695	37	5,090,000	2018-19
Income tax and Capital Gains Tax									
Foreign Tax Credits and reliefs under Double Taxation Agreement	1,500	1,600	1,800	1,800	1,800	1,900	38	-	
Corporation tax									
Tonnage tax	100	95	100	110	110	125	39	280	2016-17
Double Taxation Relief	4,495	3,570	2,535	2,425	2,910	3,425	40	8,000	2018-19
National insurance contributions									
Primary Threshold	22,100	23,200	24,300	24,500	25,200	26,400		31,400,000	2018-19
Secondary Threshold	26,200	27,700	28,100	28,500	29,100	30,400		-	
Lower Profits Limit	2,100	2,100	2,220	2,260	2,290	2,370		3,850,000	2018-19
Contracted-out rebate occupational schemes: Rebates deducted at source by employers	6,000	5,840	5,800	-	-	-	41	-	
Exemption for individuals over State Pension Age	975	1,040	970	1,250	1,210	1,110	73	805,000	2018-19
Value added tax									
Refunds to:									
Northern Ireland Government bodies of VAT incurred on non-business purchases under the Section 99 refund scheme	400	400	400	400	400	400	30	-	
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)	10,550	10,500	11,000	10,900	10,800	10,900	30	-	
Central Government, Health Authorities and NHS Trusts of VAT incurred on contracted-out services under the Section 41(3)	6,100	6,150	6,300	6,100	6,050	6,100	30	-	
Hydrocarbon oils duty									
Tied oils scheme (Industrial Relief Scheme)	1,230	1,140	1,335	1,400	1,445	1,505	42	-	
Rebated rate for gas oil ("red diesel")	2,415	2,510	2,440	2,430	2,450	2,460		-	
Air Passenger Duty									
Exemption for Cabin Crew	155	165	160	170	170	175		-	
Climate change levy									
Supply of taxable commodities not for burning or consuming in the UK	255	250	290	285	250	260		-	
Exemption of electricity generated from certain renewable resources	235	310	320	165	10	-	43	-	
Exemptions for supplies used in metallurgical and mineralogical processes	10	65	140	140	130	135	44	-	
Exemption for supplies to good quality CHP stations	120	110	115	115	120	120	45	-	
Reduced rate for participants in Climate Change agreements	205	185	155	175	200	215	44	-	
Carbon price floor									
Exclusion from CPS rates for supplies to good quality CHP stations	-	-	45	55	60	45	46	-	
Exclusion for fuels used in CHP stations to produce non-electrical outputs	35	60	90	100	100	90		-	
Exclusion for fuels used in electricity generation in Northern Ireland	10	20	35	50	45	40		-	

Reliefs with Tax Expenditure and Structural Components									
Income tax									
Age-related Personal allowances	1,030	495	20	-	-	-	35,47	1,630,000	2015-16
Married Couple's Allowance	345	330	290	240	195	165	35,48	270,000	2018-19
Marriage Allowance (revised)	-	-	345	390	440	485	49, 0	1,780,000	2018-19
Exemption of:									
British Government securities where owner not resident in UK	3,000	2,750	2,400	2,750	3,200	3,450		-	
Attendance allowance	465	490	430	515	520	535		1,400,000	2018-19
Disability living allowance	785	940	870	1,010	1,090	1,100		3,700,000	2018-19
War disablement benefits	65	45	50	60	60	60		100,000	2018-19
Corporation tax									
Small companies' reduced corporation tax rate	1,585	635	-	-	-	-	50	-	
Ring-fence oil and gas trades: Investment Allowance used against Supplementary Charge	45	60	130	95	140	320	51	<50	2016-17
Ring-fenced oil and gas trades: tax relief for decommissioning expenditure	450	500	550	360	520	815	52	100	2018-19
Petroleum Revenue Tax									
Tax relief for decommissioning expenditure	185	250	415	310	165	225	53	100	2018-19
Income tax and corporation tax									
Capital allowances	20,150	18,800	16,070	15,715	16,790	18,095	54	2,240,000	2016-17
Of which:									
Annual Investment Allowance	2,700	3,225	3,610	2,990	2,885	2,920	55	1,260,000	2016-17
Ring-fence oil and gas trade, first-year capital allowances for plant and machinery	7,910	5,915	3,580	2,395	1,745	2,155	56	140	2016-17
National insurance contributions									
Reduced contributions for self-employed not attributable to reduced pensions eligibility	3,050	3,000	3,150	5,000	5,200	5,200	57	2,600,000	2018-19
Inheritance tax									
Nil rate band for chargeable transfers not exceeding the threshold for estates left on death	19,750	19,800	19,900	21,600	17,400	17,000	28,58	280,000	2015-16
Exemption of transfers on death to surviving spouses	2,900	2,900	2,530	2,940	2,530	2,530	59	19,600	2015-16
£1m couples allowance through main residence nil-rate band by 2021	-	-	-	-	535	680		-	
Stamp Duty Land Tax									
Transfers to Charities	175	190	280	220	245	205	60	9,800	2017-18
Group Relief	825	1,175	2,015	1,070	1,010	850	60	7,500	2017-18
Transfers to Registered Social Landlords	70	80	80	50	60	55	60	2,300	2017-18
Transfers Involving Multiple Dwellings	25	35	50	60	60	35	61	5,700	2017-18
Pre-completion transaction	70	105	105	140	130	90		2,200	2017-18
First Time Buyers (as per 23/11/2017)	-	-	-	-	160	525	62	69,100	2017-18
Value added tax									
Exemption of:									
Rent on domestic dwellings	4,950	4,950	5,300	5,550	5,750	6,000	30,63,64	-	
Education	3,600	3,850	3,850	3,700	3,900	4,100	30,63	-	
Health Services	2,800	3,100	3,000	3,550	3,500	3,600	30,63	-	
Burial and cremation	250	250	300	250	300	350	30,63	-	
Finance and insurance	11,500	11,600	10,500	11,400	11,000	11,400	30,63,65	-	
Betting and gaming and lottery duties	1,300	1,450	1,500	1,400	1,500	1,550	30,63,66	-	
Small traders below the turnover limit for VAT registration	1,400	1,650	1,850	2,000	2,100	2,100	30,63	-	
Vehicle Excise Duty									
Exemption for disabled motorists	210	205	190	175	170	165	67	1,100,000	2018-19
Exemption for Historic Cars	70	75	80	90	90	100	68	400,000	2018-19

Reliefs no longer included in this table	
Value Added Tax	
Zero-rating of:	
Supplies to charities	69
Certain ships and aircraft	69
Vehicles and other supplies to disabled people	32
Reduced rate for:	
Certain residential conversions and renovations	69
Exemption of:	
Supplies of commercial property	69
Postal services	69
Income tax	
Exemption of Child benefit	69
Personal tax credits	70
Capital gains tax	
Exemption of: Annual exempt amount (half of the individual's exemption for trustees) *	69
Inheritance tax	
Conditional exemption for Heritage Property	71
Corporation tax	
R&D tax credits	72
Petroleum revenue tax	
Oil allowance	71

Updated January 2019

* These estimates are particularly tentative and subject to a wide margin of error. These estimates do not represent the actual gain if the relief were to be removed as they do not take account behavioural effects. Any changes over either £500 million or 30 per cent since the last publication will include an explanation in the published bulletin.

**The number of claimants are based upon the latest year for which we have data available: 2018-19 is a forecast. We are unable to produce for estimates of claimants for all reliefs as the data required is not available.

[r] revised

Minor reliefs table.

https://www.gov.uk/government/statistics/minor-tax-expenditures-and-structural-reliefs

Unavailable table.

https://www.gov.uk/government/statistics/tax-allowances-and-reliefs-in-force-cost-not-known

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

The estimates for Marriage Allowance have been revised and were re-published on 30th May 2019, see explanation in 0 below. This is in line with our published revisions policy of releasing revised statistics if additional information becomes available. The rest of the estimates are unchanged since 30th January 2019.

0	The estimated tax expenditure and number of claimants for the line on Marriage Allowance within the Income Tax "Reliefs with Tax Expenditure and Structural Components" have been revised following a review of the methodology. The original methodology was based on counting all the years for which applications were made. This included unsuccessful claims and previous years claimed when individuals made backdated claims. Individuals can make backdated claims for marriage allowance. The original estimates included multiple counts for those individuals making backdated claims for previous years as well as claims for that year. The new methodology uses individual taxpayer records to count the number of successful claimants for the year in question – those actually receiving Marriage Allowance. The new estimate of successful claimants does not include any estimate of backdated claims for that tax year. The estimated tax expenditure has been modelled using the revised time series of the estimated number of successful claimants and continues to reflect the anticipated full take up of the allowance when all backdated claims have been made, as the allowance can be claimed for up to four years prior to the year of original claim.
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 and 2018-19 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: https://www.gov.uk/government/collections/individual-savings-accounts-isa-statistics
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 onwards shows a decline in the cost of reliefs, which is believe to be due to ongoing decline in popularity of the scheme. The cost of this relief tends to be consistent and forecasts for 2017-18 and 2018-19 reflect this. Further information can be found here: https://www.gov.uk/government/collections/employee-share-schemes-statistics
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. The decline in the cost of reliefs is indicative of the ongoing decline in popularity of the scheme. Further information can be found here: https://www.gov.uk/government/collections/employee-share-schemes-statistics
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. The continued increase in the cost of reliefs is because EMI schemes are the most popular tax-advantaged employee share scheme on offer, with their usage continuing to increase over recent years. Further information can be found here: https://www.gov.uk/government/collections/employee-share-schemes-statistics
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. Further information can be found here: https://www.gov.uk/government/collections/employee-share-schemes-statistics
7	These figures only includes 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 (for SEIS and VCTs). The estimates from 2016-17 onwards are a forecast. Larger year-on-year increases are expected for EIS and VCT in 2016-17 and 2017-18 because of the higher values of the OBR equity price determinant in those years. The forecast drop in 2018-19 for EIS and VCT reflects new measures restricting the use of investment within the schemes.
8	These estimates relate to subscriptions and fees reported to HMRC and identifiable in HMRC data. This estimates excludes subscriptions and fees that are reimbursed by employers and covered by dispensations, as well as amounts included in relief claims on short self-assessment returns as that data is unavailable and HMRC are unable to calculate it.
9	These figures include all three forms of employer-supported childcare: workplace nurseries, childcare vouchers and directly contracted childcare. The introduction of tax free childcare is expected to have caused the reduction in the cost of this relief in 2018-19.
10	This relief has been abolished from the 6th April 2016. The figures for 2016/17 and 2017/18 in previous year's publication were initially generated using an automated model. This did not account for the relief being abolished from April 2016 and, due to this technical error, wrong figures were included in last year's publication. This error has since been corrected and the figures in this year's publication correctly show the estimated cost of the relief in those years as being zero, since the relief has been abolished.
11	Figures shows 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.
12	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.
13	The rules for income tax on dividends changed in April 2016 when the dividend tax credit was replaced by a dividend allowance. This has led to a fall in the estimated cost of the tax relief on VCT dividends from 2016-17 onwards. The subsequent reduction in the dividend allowance from April 2018 has resulted in an increase in the expected cost of the relief in 2018-19.
14	The figures include the negative tax and payable tax credit elements of R&D tax 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. The figures for large companies include the Research & Development Expenditure Credit (RDEC), also known as 'Above the Line' Credit, introduced in April 2013. The Large company scheme continued to run alongside RDEC until April 2016. RDEC is now the only R&D tax relief scheme for large companies. The rising costs of both the SME and RDEC schemes are due to growth in qualifying R&D expenditure, as well as increases in the R&D relief rates.
15	The 2016-17 estimates for the R&D SME and RDEC tax relief schemes are based on partial data and are expected to increase as more returns are received by HMRC. The fall in the forecast estimate for the SME scheme in 2018-19 reflects a fall in the OBR business investment determinant. The estimated cost for the RDEC scheme continues to rise in 2018-19 because of the RDEC rate increase from 11% to 12%. The large year-on-year increases between 2013-14 and 2014-15 are partly due to additional claims being identified for 2014-15 onwards.
16	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 2014-15 to 2016-17 reflect increases in the relief rate and growth in qualifying expenditure.
17	The increase in cost in 2014-15 and 2015-16 is due to increased take-up as the new reliefs became established and growth in qualifying expenditure.
18	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 2016-17 onwards are projections.
21	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).
22	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.
23	The under 21 employer NICs relief was introduced in 2015-16 and covered all employees between the ages of 16 to 21. From 2016-17 it only covers non-apprentice employees between the ages of 16 to 21.
24	The under 25 apprentice employer NICs relief was introduced in 2016-17 and covers apprentices between the ages of 16 to 25. It takes precendence over the under 21 employer NICs relief.
25	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 2018-19 is a projection. The increase over time is due to growth in house prices and transaction volumes.
26	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. The last two years are forecast for this relief.
27	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 2018-19 reflects new measures restricting the use of investment within the EIS scheme.
28	The estimates for 2015/16 and later years have been revised and are now on a static liabilities basis. Previously estimates were converted to receipts, this means that estimates for and after 2015/16 are not directly comparable to estimates prior to 2015/16.
29	This was previously included in the minor reliefs table. The increase in the estimate is mainly due to availability of new outturn data for 2015/16, with around 2,000 estates qualifying for the relief. This is a 29 per cent increase over the 2014/15 outturn. The link for table 12.2 shows the outturn of the relief since its introduction in 2012/13: https://www.gov.uk/government/statistics/inheritance-tax-statistics-table-122-exemptions-and-reliefs.

30 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. The calculations for these estimates do not include any behavioural effects.

31 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.

32 Costs exclude the zero-rating of items covered by other reliefs. This relief was previously shown as 'Vehicles and other supplies to disabled people'. However we have now split the relief as 'Vehicles supplied to disabled people' for which we are able to provide an estimate, and 'Supplies to disabled people other than vehicles' which has been included in the cost unavailable data as we do not sufficient data on which to make an estimate.

33 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. The reduction in the cost of the reduced rate for energy saving materials is mainly due to a reduction in the number of solar panel installations.

34 The exemption came into effect for children aged between 2 and 12 on the data 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.

35 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.

36 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.

37 The Dividend tax allowance was introduced in April 2016, which gives a tax-free allowance on total dividend income. This allowance was £5,000 in 2016-17 and 2017-18, and was reduced to £2,000 in 2018-19, as announced at Spring Budget 2017. Figures show the effect of taxing dividend incomes generated from assets not covered by ISA or any structural exemptions.

38 Estimates for recent years may increase as HMRC receive late returns. Includes Foreign Tax Credit Reliefs on income, capital gains and dividends. The tax credits on UK and some foreign dividends were abolished from April 2016, which reduces the cost from 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.

39 Concessionary tax regime for shipping companies. The estimates are for reductions in tax liabilities accruing for the years shown.

40 The projections are based on statistics and the latest forecasts of foreign income. We have used outurn data until 2016/17, which was revised down from the forecast provided last year. This impacted the projections for later years which are produced on basis of outturn and foreign income growth.

41 The contracted-out rebate was abolished in April 2016.

42 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.

43 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.

44 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.

45 The estimates are higher than previously published due to an update to the tax base and recent outturn data.

46 New exemption that came into effect in April 2015. The tax base of the relief is forecast to grow in the first few years.

47 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.

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

49 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 estimated tax expenditure figures reflect the anticipated full take up of the allowance when all backdated claims have been made, in future tax years (up to 4 years later). Estimates of the number of claimants are for the latest tax year available and reflect only successful claimants up to that point in time and not the anticipated full take up when all backdated claims have been made in future tax years (up to 4 years later). Please note therefore that cost estimates cannot be divided by claimant numbers to estimate the average cost of this relief. The estimated number of claimants reflects a count of only the receivers of the Marriage Allowance rather than both individuals within each couple.

50 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.

51 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 2014/15 is due to increasing amounts of production revenues which qualify for the relief as well as the wider availability of reliefs. The decrease in the amount of relief claimed in 2016-17 compared with the previous year is due to lower company profits due to low oil prices.

52 Tax relief from expenditure to decommission oil and gas infrastruture on the UKCS. There may be some overlap with "Capital allowances: Ring-fence oil and gas trade, first-year capital allowances for plant and machinery".

53 Only ring fenced oil and gas trades are liable for Petroleum Revenue Tax. These figures have been estimated using company return data.

54 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 changed since the 2018 publication due to the latest outturn data being used. The ring fence capital allowance costs feeding into the total costs have been updated also.

55 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 in 2014-15 to £500,000 (from £250,000 for 2013-14), resulting in increased costs in that year. The AIA was permanently set at £200,000 from 1st January 2016, so costs are expected to remain fairly stable between 2016-17 and 2018-19. At Autumn Budget 2018 a temporary increase to the AIA threshold of £1 million was announced from January 2019 for 2 years. Costs are expected to rise over that period and the 2018-19 costs have been adjusted for this.

56 The reduction in oil and gas capital allowances from 2014-15 to 2018-19 is due to a fall in qualifying spend (which fell from £17 bn to £9 bn) and a reduction in the value of relief (from 62% to 40%)

57 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.

58 Includes the cost of the transferable nil rate band. Although the Nil Rate Band has remained at £325,000 since April 2009, an increase in ONS death projections means more estates are projected to require probate and therefore eligible for the Nil Rate Band. The large cost increase in 2016-17 represents the ONS higher number of deaths registered in 2016/17 together with increase in value of net estate. The decrease in the cost of this relief from 2017-18 is due to the introduction of the residence nil rate band in April 2017.

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

60 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. 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.

61 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.

62 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.

63 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.

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

65 The estimates have been revised to reflect new estimates of partial exemption.

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

67 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.

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

69 This relief has been moved to the unavailable table as we no longer have either sufficient data or quantifiable evidence with which to provide reasonable quality estimates. Information on the usage of this relief is not required in tax returns and cannot be reliably estimated from other data sources, and the cost of collection for statistical purposes is disproportionate. https://www.gov.uk/government/statistics/tax-allowances-and-reliefs-in-force-cost-not-known

70 The personal tax credits estimates represent only the negative tax element (the 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, both the Office for National Statistics and the Office for Budget Responsibility removed the classification of negative tax from 2015-16 onwards. Further information can be found here https://ec.europa.eu/eurostat/web/esa-2010

71 This relief is now included in the minor reliefs table as the estimates have fallen below £50 million: https://www.gov.uk/government/statistics/minor-tax-expenditures-and-structural-reliefs.

72 Relief now split and shown under R&D tax relief: SME scheme and, R&D tax relief: Large company & RDEC schemes

73 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.

List of largest changes since the last publication

The estimates for Marriage Allowance have been revised and were re-published on 30th May 2019, see explanation in row 136 below. This is in line with our published revisions policy of releasing revised statistics if additional information becomes available. The rest of the estimates are unchanged since 30th January 2019.

Tax Expenditures	**Reason for changes**
Income tax	
Relief for:	
Registered pension schemes	New outturn data and improvements to the methodology
Share Incentive Plan	New outturn data and OBR economic forecasts
Save As You Earn	New outturn data and OBR economic forecasts
Enterprise Management Incentives	New outturn data and OBR economic forecasts
Approved Company Share Option Plans	New outturn data and OBR economic forecasts
Enterprise Investment Scheme	New outturn data and OBR economic forecasts
Wear and tear allowance	Relief abolished from April 2016
Dividends from Venture Capital Trusts	Relief new to the table
Corporation tax	
R&D tax credits	Deleted and replaced by two reliefs below
R&D tax relief: SME scheme	Relief new to the table and replaces R&D tax credits
R&D tax relief: Large company & RDEC schemes	Relief new to the table and replaces R&D tax credits
Theatre Tax Relief	Relief moved from the minor table. New outturn data and OBR economic forecasts
Patent Box	New outturn data following new rules to intellectual property regimes
Ring-fenced oil and gas trades: tax relief for decommissioning expenditure	Relief new to the table
Petroleum Revenue Tax	
Tax relief for decomissioning expenditure	Relief new to the table
National insurance contributions	
Relief for:	
Share Incentive Plan	New outturn data
Save As You Earn	New outturn data
Abolition of employer National Insurance Contributions for under 21s	Relief new to the table
Abolition of employer National Insurance Contributions for apprentices under 25	Relief new to the table
Capital gains tax	
Exemption of gains arising on disposal of only or main residence	New outturn data and OBR economic forecasts
Relief on investments in Enterprise Investment Schemes	New outturn data and OBR economic forecasts
Inheritance tax	
Relief for estates left on death for agricultural property	Data moved from cash receipts to national accounts basis
Value added tax	
Reduced rate of VAT on energy saving materials	New outturn data and OBR economic forecasts
<u>Structural Reliefs</u>	
Income tax	
Personal allowance	New outturn data and OBR economic forecasts
Value added tax	
Refunds to:	
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	Improvements to methodology following a quality assurance review
Central Government, Health Authorities and NHS Trusts of VAT incurred on contracted-out services under the Section 41(3) refund scheme	Improvements to methodology following a quality assurance review
Climate change levy	
Exemption of electricity generated from certain renewable resources	Data moved from cash receipts to national accounts basis
Exemptions for supplies used in metallurgical and mineralogical processes	Data moved from cash receipts to national accounts basis
Exemption for supplies to good quality CHP stations	Data moved from cash receipts to national accounts basis
Reduced rate for participants in Climate Change agreements	Data moved from cash receipts to national accounts basis
Carbon price floor	
Exclusion for fuels used in CHP stations to produce non-electrical outputs	Data moved from cash receipts to national accounts basis
<u>Reliefs with Tax Expenditure and Structural Components</u>	
Income tax	
Marriage Allowance	Improvements to methodology following a quality assurance review
Corporation tax	
Ring-fence oil and gas trades: Investment Allowance used against Supplementary Charge	New outturn data and improvements to the methodology
Income tax and corporation tax	
Capital allowances	New outturn data and improvements to the methodology
Of which:	
Annual Investment Allowance	New outturn data and improvements to the methodology
Ring-fence oil and gas trade, first-year capital allowances for plant and machinery	Relief new to the table
National insurance contributions	
Reduced contributions for self-employed not attributable to reduced pensions eligibility	New outturn data and improvements to the methodology
Inheritance tax	
Nil rate band for chargeable transfers not exceeding the threshold for estates left on death	Data moved from cash receipts to national accounts basis
£1m couples allowance through main residence nil-rate band by 2021	Relief new to the table
Stamp Duty Land Tax	
Transfers to Registered Social Landlords	New outturn data received much later than usual
First Time Buyers (as per 23/11/2017)	New outturn data
Value added tax	
Exemption of Finance and insurance	New outturn data, OBR economic forecasts and improved methodology