

## Corporation Tax refunds between 2006 and 2010

### Request

1. The total amount paid out in Corporation Tax refunds between 2006 and 2010 and a year-by-year breakdown of those figures.
2. The number of claims year-by-year from 2006-10 that were approved.

### Response

As shown in the table below, the total amount of all Corporation Tax repayments made by HM Revenue & Customs (HMRC) from 1 April 2005 to 31 March 2010 was £39.2 billion. The table gives a breakdown for each of the five financial years over this period.

The total number of repayments approved on HMRC's Corporation Tax computer system (COTAX) over the same period is also shown in the table and was around 2.2 million across the financial years 2005-06 to 2009-10. COTAX records the majority of repayments by volume, however a small proportion of repayments are made through other systems and are not included in these figures.

#### Total amount of repayments and number approved, by financial year (from 1 April to the following 31 March)

	£ billion	Number (see note 1)
2005-06	4.7	381,000
2006-07	7.4	420,000
2007-08	9.4	487,000
2008-09	8.7	492,000
2009-10	9.0	371,000
<b>Total</b>	<b>39.2</b>	<b>2,151,000</b>

#### Note

1. The figures for the number of repayments cover those made through the COTAX system and exclude a small proportion of repayments made to companies through other systems.

A significant percentage of repayments are for very small amounts (in 2009-10, 44 per cent of repayments were for £20 or less). As HMRC pays interest for early payment and charges interest for late paid tax companies often pay slightly early, resulting in a repayment of early payment interest.

In the recent economic climate UK businesses are likely to incur losses that can be relieved against earlier profits, resulting in a repayment. An increase in the number and value of repayments is therefore to be expected. In due course, once either the losses have been relieved or the available profits to set them against have been exhausted, the number of repayments would start to decrease.

Losses in straightforward cases may be relieved quickly; establishing the amount of losses in more complex cases may take a considerable time, with relief delayed.