

Background Quality Report:
PAYE and Corporate Tax Receipts of the Banking Sector

Dimension	Assessment by the author
Introduction	<i>Context for the quality report.</i>
	<p>PAYE and Corporate Tax Receipts of the Banking Sector is an annual Official Statistics release which was published for the first time in August 2011.</p> <p>The publication covers receipts by HMRC of PAYE, Corporation Tax, Bank Levy and Bank Payroll Tax from 2005-06 onwards. The purpose of introducing this publication was to provide information on the amount of tax paid in the UK by the banking sector. This subject is of interest to policy makers in Government, researchers, the media and the general public.</p> <p>The data sources for the outputs are HMRC's administrative systems BROCs (for PAYE), COTAX (for CT and Bank Levy) and SAFE (for Bank Payroll Tax). These systems are used to record cash receipts from taxpayers and to make assessments of tax liabilities. Complete datasets are used so there is no sampling error.</p>
Relevance	<i>The degree to which the statistical product meets user needs in both coverage and content.</i>
	<p>The publication covers four major taxes paid by the Banking Sector from the 2005-06 to the latest available period (April prior to the publication). The statistical commentary makes comparisons over time and with the level of Corporation Tax and PAYE receipts across all sectors.</p> <p>The publication does not include irrecoverable VAT and Insurance Premium Tax as part of the main statistics. Estimates of these amounts are included in the background information. These statistics may be of interest to users as they form part of the tax paid by the banking sector, so could be considered an unmet need. The current figures are not of the same level of quality as those in the main table as they either rely on survey data or use an inconsistent definition of the population. Ways to improve this data will be considered ahead of the next release</p>
Accuracy and Reliability	<i>The proximity between an estimate and the unknown true value.</i>
	<p>All figures in the main publication table are derived from HMRC administrative systems. The statistics reports are payments received by HMRC, so errors in reporting liabilities will not affect the output. The complete dataset is used so there is no potential for sampling error.</p> <p>The population definition is based on companies eligible for HMRC's banking code. The population is checked annually for any changes by tax specialists in HMRC's Large Business</p>

	<p>Service and Local Compliance who work with banking sector companies. Due to the way in which PAYE and Corporation Tax are recorded some tax paid by non-banking operations of banking groups may be included in the total. Similarly banking companies in predominantly non-banking groups (e.g. supermarket banks) will not be included in the statistics. This is explained in the population definition in the publication.</p>
Timeliness and Punctuality	<p><i>Timeliness refers to the time gap between publication and the reference period. Punctuality refers to the gap between planned and actual publication dates.</i></p>
	<p>The statistics are published annually five months after the end of the relevant period. As the production of these statistics becomes more established it will be considered whether the publication date can be moved forwards.</p> <p>There have been two releases which were both on time.</p>
Accessibility and Clarity	<p><i>Accessibility is the ease with which users are able to access the data, also reflecting the format in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of the metadata, illustrations and accompanying advice.</i></p>
	<p>The statistics are published on the HMRC website and a link is also published by the Office for National Statistics. The publication is available in full as a PDF and the table is available separately in Excel format.</p> <p>Supporting information is provided giving background on each tax or duty covered by the publication.</p>
Coherence and Comparability	<p><i>Coherence is the degree to which data that are derived from different sources or methods, but refer to the same topic, are similar. Comparability is the degree to which data can be compared over time and domain.</i></p>
	<p>Methodology is consistent with other HMRC and ONS publications on tax receipts.</p> <p>Comparison over time is discussed in the commentary to the statistics. The Bank Payroll Tax was a temporary tax so affects the total tax receipts for one year only – this is explained in the notes to the main table and in the commentary.</p>
Trade-offs between Output Quality Components	<p><i>Trade-offs are the extent to which different aspects of quality are balanced against each other.</i></p>
	<p>As noted above, the statistics will include some tax paid by non-banking operations of banking corporate groups, and will exclude banking activities of predominantly non-banking groups. The way in which data is recorded on HMRC administrative systems</p>

	means that it would not be feasible to separate these elements and detailed analysis would be required, meaning the statistical release would be significantly delayed.
Assessment of User Needs and Perceptions	<i>The processes for finding out about users and uses, and their views on the statistical products.</i>
	A link to an online survey is given on the first page of the publication to allow users to provide feedback.
Performance, Cost and Respondent Burden	<i>The effectiveness, efficiency and economy of the statistical output.</i>
	The data used is required by HMRC to administer the tax system and is recorded electronically. No additional data collection is required to produce the statistics.
Confidentiality, Transparency and Security	<i>The procedures and policy used to ensure sound confidentiality, security and transparent practices.</i>
	<p>HMRC has a legal duty to maintain the confidentiality of taxpayer information and disclosing information to persons outside of HMRC is only allowed in a limited number of circumstances.</p> <p>These are set out in Section 18 of the Commissioners of Revenue and Customs Act 2005:</p> <p>Commissioners of Revenue and Customs Act 2005</p> <p>The statistics in this release are presented at an aggregate level so that no individual bank's tax payments can be identified or inferred.</p>