HM Revenue & Customs

Corporation Tax Statistics

Coverage:
United Kingdom

Theme:
The Economy

Released:
29th August 2014

Amended:
29th May 2015

Next Release:
Summer 2015

Frequency of release:
Each summer

Media contact:
HMRC Press Office (Business)
03000 585021 or 03000 585028
Out-of-hours: 07860 359 544

Statistical contacts:
Natalie Button - Receipts
ct.statistics@hmrc.gsi.gov.uk

Tim Hanison - Liabilities
ct.statistics@hmrc.gsi.gov.uk

KAI Direct Business Taxes
HM Revenue and Customs
2/54, 100 Parliament Street
London
SW1A 2BQ

Website:
http://www.hmrc.gov.uk/statistics/corporation-tax.htm

Contents

About these statistics

This is a National Statistics publication produced by HM Revenue and Customs. For more information on National Statistics and governance of statistics produced by public bodies, please see the UK Statistics Authority website (www.statisticsauthority.gov.uk).

The tables in this publication provide breakdowns of Corporation Tax receipts and Corporation Tax liabilities by number, income, allowances, deductions, broad industry sector and financial year. All statistics relate to the UK. Sub-national geographic breakdowns are available as Official Statistics in a separate publication.

This publication was amended on 29 May 2015 to revise the 2012-13 receipts figures (table 11.1A). The overall 2012-13 amount remains unchanged. The splits between trade sectors for 2012-13 have been updated with the finalised allocation of payments between companies within corporate groups. The numbers affected were the splits between trade sectors for 2012-13 and the 2012-13 North Sea Corporation Tax receipts only. Bank Levy receipts are unchanged from the statistics published on 29 August 2014.

New and updated statistics in this release and planned improvements

This release includes the first published Corporation Tax liability estimates for company accounting periods ending in 2012-13. These tables are released and updated annually. Figures relating to financial years from 2007-08 to 2011-12 have been revised using the latest available data, but no updates have been made to earlier years' data.

Since Corporation Tax returns are submitted up to twelve months after the end of an accounting period, there is some delay before the estimates for a relevant year become available.

For the first time, this release includes an industrial sector breakdown based on the Standard Industrial Classification (SIC) 2007 standard for tables 11.4, 11.5, 11.7 and 11.10. For comparison with earlier releases, versions of tables 11.5 and 11.7 with the STC-based classification used previously are shown in Annex D. It has not been possible to fully implement the change to SIC 2007 for this release; tables 11.1A, 11.1B and 11.2, which contain broad breakdowns of amalgamated industrial sectors for Corporation Tax receipts and liabilities, continue to be based on the STC classification. Work to provide all industrial breakdowns based on the SIC 2007 standard is ongoing.

The next scheduled release is in summer 2015, which will show Corporation Tax receipts and Bank Levy figures for 2014-15 and Corporation Tax liabilities for 2013-14. For further details, please refer to the publication and release strategy on page seven of this report.

SECTION 1: Introduction

What does this publication tell me?

This publication provides information about UK Corporation Tax receipts and liabilities, including broad industry sector breakdowns. Section 2 gives an overview of the statistics and discusses recent trends. The remainder of the document contains the statistical tables and related commentary. The first table covers Corporation Tax receipts, whilst the remaining tables focus on companies' Corporation Tax liabilities based on their tax returns and assessments. The data used to produce these statistics, both for receipts and liabilities, comes from the HMRC administrative system for company taxation, COTAX. More information about the data and methodology can be found in Annex A. A glossary of terms related to Corporation Tax is provided in Annex B.

This publication only includes figures for previous years. Forecasts of future Corporation Tax receipts are produced and published by the Office for Budget Responsibility, and can be found on their website: http://budgetresponsibility.independent.gov.uk/.

Who might be interested?

These tables are likely to be of interest to policy makers in government, academics, research bodies and journalists. They may also be useful to individuals or organisations interested in the number of taxpayers and tax liabilities in total, and the distributions of numbers and amounts, for example by industrial sector or by size of liability.

What is Corporation Tax?

Corporation Tax (CT) is a direct tax charged on the profits made by companies, public corporations and unincorporated associations such as industrial and provident societies, clubs and trade associations. It makes up approximately ten per cent of the Government's total receipts.

Corporation Tax is charged on the profits made in each accounting period, i.e. the period over which the company draws up its accounts. The rates of taxation are set for the financial year from 1 April to 31 March. Where an accounting period straddles 31 March, and so potentially two different tax rates, the company profits are apportioned between the two financial years according to the amount of time that the accounting period covers in each financial year.

Taxable profits for Corporation Tax include:

- Profits from taxable income such as trading profits or investment profits (except dividend income which is taxed differently);
- Capital gains – known as 'chargeable gains' for Corporation Tax purposes.

Companies based in the UK have to pay Corporation Tax on all of their taxable profits, wherever in the world the profits come from. Companies not based in the UK, but with branches operating in the UK, have to pay Corporation Tax on taxable profits arising from their UK activities.

Taxable profits for Corporation Tax purposes often differ from the pre-tax profits in the company accounts. This is partly because the Corporation Tax regime has a system of capital allowances, which apply instead of depreciation charges for items such as plant and machinery. There are also other allowances, deductions and reliefs which can be applied when calculating the company's taxable profits. Particularly significant is group relief, whereby companies belonging to a group can surrender their trading losses to offset against the profits of another group member.

A more detailed explanation of the main features of Corporation Tax is given in section 3 of this document.

The current and historic rates of Corporation Tax are shown in the HMRC National Statistic Table A.6 that is published separately https://www.gov.uk/government/publications/rates-of-corporation-tax.

Recent and planned changes to the rate of Corporation Tax are outlined below:

- From 1 April 2008, the main rate was reduced from 30 per cent to 28 per cent, and the small companies' rate was raised from 20 per cent to 21 per cent.
- From 1 April 2011, the main rate was reduced to 26 per cent and the small profits rate (formerly known as small companies' rate) was reduced to 20 per cent.
- From 1 April 2012 the main rate was reduced to 24 per cent.
- From 1 April 2013 the main rate was reduced to 23 per cent.
- From 1 April 2014 the main rate was reduced to 21 per cent.
- From 1 April 2015, there will be a unified rate of Corporation Tax of 20 per cent (for non-ring fenced profits) rather than separate main and small profits rates.

User engagement

We are committed to providing impartial, high quality statistics that meet our users' needs. We encourage our users to engage with us so that we can improve our official statistics and identify gaps in the statistics that we produce. Please see the following link for HMRC Statistics: Continuous User Engagement Strategy.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278751/HMRC_statistics_continous_user_engagement.pdf

If you would like to comment on these statistics or have any enquiries on the statistics please use the statistical contacts named at the end of this section. Alternatively, we would welcome any views you have using the link to the feedback form: https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics#contact-us
We will undertake to review user comments on a quarterly basis and use this information to influence the development of our official statistics. We will summarise and publish user comments at regular intervals.

Specifically, if you would like to be involved in future consultations about Corporation Tax National Statistics, please go to the survey at the following link, where you will be able to enter your contact details:
https://www.surveymonkey.com/s/dbtsurvey1

In 2014 all HMRC statistics moved to the GOV.UK website:
https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics

UKSA Assessment

These statistics have been assessed for compliance with the Code of Practice for Official Statistics by the UK Statistics Authority (UKSA). The assessment report is available on the UKSA website: http://www.statisticsauthority.gov.uk.

UKSA is an independent body directly accountable to Parliament with the overall objective to promote and safeguard the production and publication of official statistics. It is also required to promote and safeguard the quality and comprehensiveness of official statistics and good practice in relation to official statistics.

Publication and revision strategy

Table 11.1A on Corporation Tax receipts and tables 11.1B to 11.10 on Corporation Tax liabilities are published annually to coincide with the availability of final receipts figures for the previous financial year. Previously liabilities tables 11.1B to 11.10 were published later in the year, but Corporation Tax liabilities data are now available earlier as a result of the electronic filing requirement, which has allowed us to jointly publish receipts and liabilities tables in August for the first time in this release.

The next scheduled release date for both receipts and liabilities tables is summer 2015 when receipts for 2014-15 and liabilities for 2013-14 will be included for the first time.

For the receipts figures (table 11.1A), the splits between trade sectors for the past two previous years – but not the overall totals – are subject to revision as the allocation of payments within company groups is finalised.

For the remaining tables covering liabilities, the figures for the five years preceding the latest published year will be revised using the latest available data, but earlier years will not be updated.

In accordance with the Code of Practice for official statistics, the exact date of publication will be given not less than one calendar month before publication on both the HMRC National Statistics website and UK Statistics Hub. Any delays to the publication date will be announced on the HMRC National Statistics website.

Contact points

Enquiries about statistics on Corporation Tax receipts and liabilities should be directed to the lead statisticians responsible for these tables:

Natalie Button (receipts) or Tim Hanison (liabilities)
03000 586 571 03000 589 062

ct.statistics@hmrc.gsi.gov.uk

Room 2/54
KAI Direct Business Taxes
HM Revenue and Customs
100 Parliament Street
London SW1A 2BQ

Media enquiries should be directed to the HMRC Press Office – Business Tax Desk contacts listed on the front page of this release.

SECTION 2: Summary of key statistics

This section gives an overview of the statistics and ends with a brief discussion of the factors influencing the amount of Corporation Tax paid.

Corporation Tax and Bank Levy receipts

Receipts are amounts of Corporation Tax collected by HMRC in a given financial year. These can relate to liabilities from the same financial year or from earlier years. The headline statistics for Corporation Tax receipts are:

- Total net CT receipts in 2013-14 were £39.3 billion. This is a reduction of 1 per cent from £39.5 billion in 2012-13 (see Section 4, Table 11.1A)

- This change is largely due to reductions in both Offshore and Life Assurance receipts.

- Offshore receipts reduced from £4.4 billion in 2012-13 to £3.6 billion in 2013-14.

- Life Assurance receipts declined by 50 per cent, from £1.4 billion in 2012-13 to £0.7 billion in 2013-14.

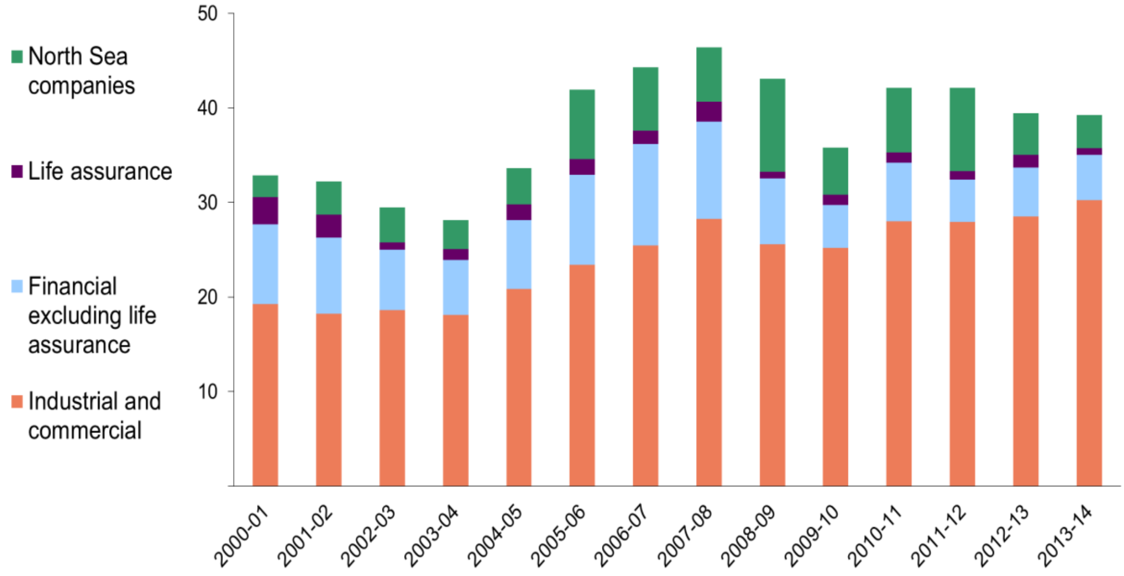
- Bank Levy receipts increased from £1.6 billion in 2012-13 to £2.2 billion in 2013-14.

Figure 1 shows the changes in net CT receipts in the period from 2000-01 to 2013-14.

The Industrial and Commercial sector has the highest level of CT receipts, on average accounting for 70 per cent of all CT receipts since 2009-10.

From 2008-09 to 2011-12, receipts from North Sea companies had overtaken the Financial sector (excluding Life Assurance) to become the second largest contributor. This reflected the rise in oil prices in 2008-09 and the effects of the economic downturn on the Financial sector. However, the latest figures show a reversal in this trend, with the Financial sector becoming the second largest contributor again in 2012-13 and 2013-14.

Figure 1. Corporation Tax net receipts, by sector, 2000-01 to 2013-14 (£ billions)



Corporation Tax liabilities

Liabilities are the amounts of Corporation Tax due for companies' accounting periods ending in a given financial year.

The headline statistics from Corporation Tax liabilities tables 11.1B to 11.10 are the following:

- Total Corporation Tax liabilities for 2012-13 were £41.3 billion, compared to £43.8 billion in 2011-12, a 4 per cent decrease.

- Corporation Tax liabilities from ring-fenced oil and gas companies decreased from £8.3 billion in 2011-12 to £4.3 billion in 2012-13, a 43 per cent decrease. The drop was the result of a sharp decline in production and a rise in capital expenditure on new investment and on maintenance of existing infrastructure.

- Reductions in the main rate of Corporation Tax from 28% to 26% in April 2011 and from 26% to 24% in April 2012 are also an important factor behind the level of liabilities.

- Onshore liabilities (i.e. from companies other than ring-fenced oil and gas companies) increased from £34.8 billion in 2011-12 to £36.6 billion in 2012-13, a 5 per cent increase.

- The number of companies with trading profits in accounting periods ending in 2012-13 increased 7.5 per cent to 1.17 million on the previous year. The number with a tax liability in 2012-13 was up 10 per cent to 1.06 million.

- The tax liabilities of companies show a highly skewed distribution. In 2012-13 under 1 per cent of the total liable to pay CT (around 6,300 companies) had liabilities of £500,000 or over, between them contributing around 62 per cent of total Corporation Tax liability.

- Companies with less than £10,000 in Corporation Tax liabilities made up about 65 per cent of the total number liable to pay CT for 2012-13, and together were subject to around 6 per cent of the total Corporation Tax liability.

- The largest industrial sector for tax payable was Wholesale and Retail Trade and Repairs with £6.1 billion (or 15 per cent) of the total tax payable. This was followed by the Financial and Insurance sector (£5.6 billion) and the Professional, Scientific and Technical sector (£4.5 billion).

- Claims for Capital Allowances on qualifying assets in 2012-13 were down £4.1 billion (5 per cent) on 2011-12 to £77.9 billion.

- By value 86 per cent of the Capital Allowances claims in 2012-13 were in respect of allowances on plant and machinery. These claims have decreased by £3.9 billion (6 per cent) from 2011-12.

Figure 2 shows the changes in Corporation Tax liabilities in the period from 1999-00 to 2012-13.

From 2002-03 onwards Corporation Tax liabilities rose steadily to a peak in 2007-08, but then fell in 2008-09 and 2009-10 as a result of the global financial crisis and economic slow-down. Liabilities in the last three years are back above £40 billion per year.

Industrial and commercial companies have the highest Corporation Tax liability, on average accounting for almost two thirds of total Corporation Tax liabilities during the period covered in this publication.

Figure 2. Corporation Tax liabilities, by sector, 1999-00 to 2012-13 (£ billions)

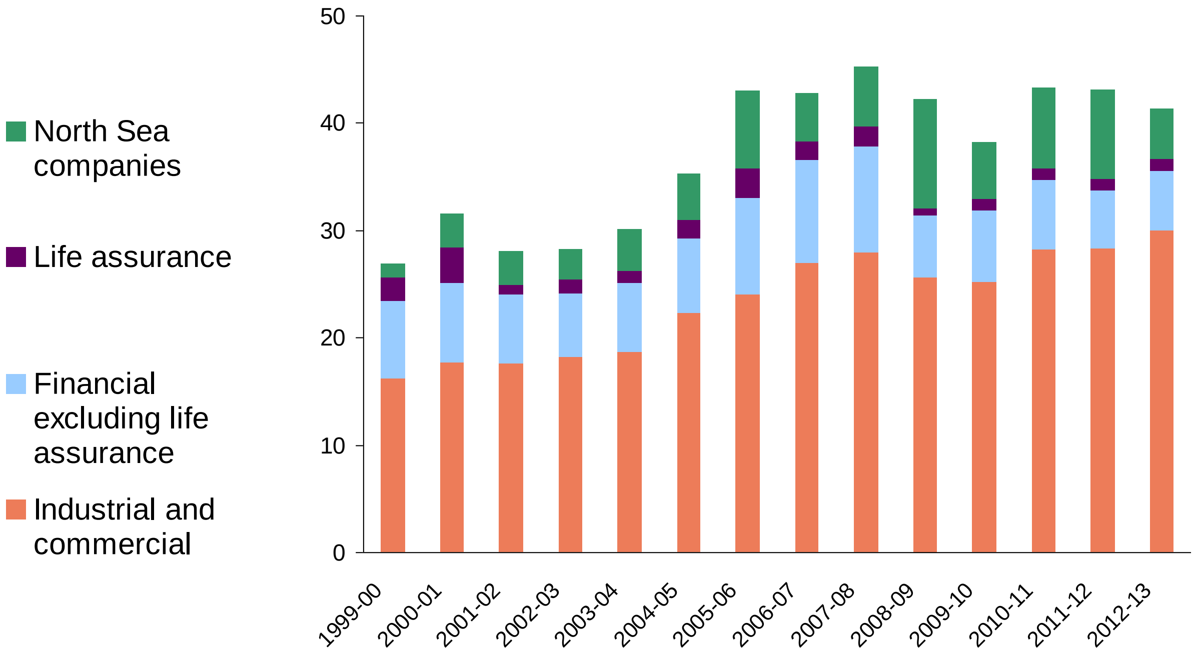
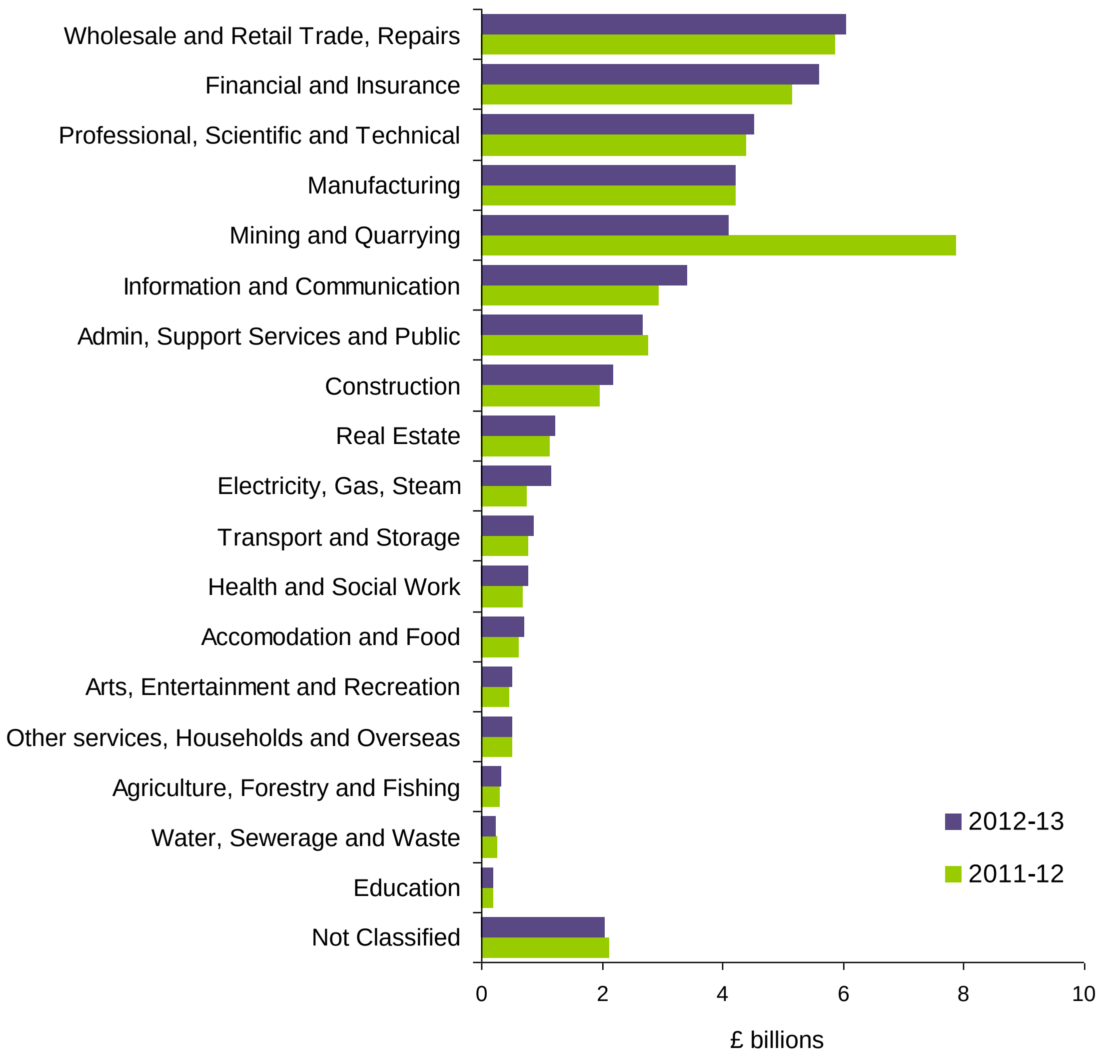


Figure 3 shows a breakdown of Corporation Tax liabilities by SIC 2007 industry sectors for 2011-12 and 2012-13.

In 2012-13, the Wholesale and Retail Trade and Repairs sector was the largest with liabilities of £6.1 billion. In 2011-12 it was the Mining and Quarrying sector at £7.9 billion. In 2012-13 there was a drop in Corporation Tax liabilities from North Sea oil and gas companies, which are included in the Mining and Quarrying sector. The drop was the result of a sharp decline in production and a rise in capital expenditure on new investment and on maintenance of existing infrastructure.

Figure 3. Corporation Tax liabilities by SIC 2007 industry, 2011-12 and 2012-13 (£ billions)



Factors influencing Corporation Tax liabilities and receipts

Changes in Corporation Tax rates and related policies affect the amount of Corporation Tax that companies are liable to pay.

Corporation Tax receipts can also be influenced by factors such as changes in payment deadlines and the approaches taken by HMRC in dealing with late payment or non-payment.

Wider economic conditions, such as periods of strong growth or recession, will also affect the profitability of companies and influence their Corporation Tax liability. Changes in Corporation Tax rates in other countries can lead to large multinational companies increasing, or decreasing, their level of operations in the UK, and such changes can have an impact on the total liability figures.

Costings for policies affecting Corporation Tax are published at each Budget, which indicate the estimated impact of each tax policy change. The policy costings documents for previous Budgets can be found on the National Archives website:
http://webarchive.nationalarchives.gov.uk/20130319161430/http://hm-treasury.gov.uk/budget_archive.htm

The government sets out how it intends to approach reform of the corporate tax system over this parliament in the Corporate Tax Road Map. This can be found on the GOV.UK website:
https://www.gov.uk/government/publications/the-corporation-tax-road-map

SECTION 3: Key features of Corporation Tax and the Bank Levy

This section explains some key features of Corporation Tax that are useful in understanding the statistical tables presented later in the document.

Profits and deductions

For Corporation Tax purposes, a company's profits comprise its income and capital gains. Income, whether from trading or investments, is calculated in the same way as for income tax purposes including capital allowances where appropriate. Gains are calculated in the same way as for capital gains tax except that companies have no exempt amount and company gains are not affected by the reforms made in 1998 to capital gains tax.

Capital allowances provide relief, for Corporation Tax purposes, for the consumption or depreciation of capital assets incurred for the purposes of carrying on a trade. Different types of assets qualify for different rates of allowances; see HMRC National Statistic Table A.5 that is published separately http://www.hmrc.gov.uk/statistics/ct-receipts/table-a5.pdf.

Capital allowances may be claimed in the year in which they accrue and any unused capital allowances may be carried forward to set against profits in later years. They may also be carried back in the same way as trading losses. Tax credits were introduced in the 1999 Budget, and extended later, to provide enhanced relief for research and development and some other types of expenditure. For some types of expenditure, non-taxpayers can receive a payable tax credit.

A company which makes a trading loss may carry that loss back for 1 year (3 years from 1991 to July 1997) to set against the profits of an earlier accounting period. An unrelieved trading loss can also be carried forward without time limit to set against income from the same trade in a future accounting period.

Deductions are allowed from a company's total profits for any charges (interest and other payments) it pays and, in the case of an investment company, its management expenses. Since April 1996, "loan relationship" rules have been in force for the treatment of interest and similar payments. A deduction against the tax liability is allowed for income tax deducted at source from interest received (to the extent that it is not used to cover income tax the company itself deducts on interest payments it makes). Double taxation relief for foreign tax is allowed as a deduction against the tax charged on profits.

Company groups

Certain special rules and reliefs apply to companies that operate as a group. A group typically consists of a parent company and a number of subsidiary companies. For two companies to be considered members of the same group for tax purposes, one company has to have at least 75% ownership of the other, or they must both be owned (at least 75%) by a third company. A company that makes a trading loss can surrender that loss as group relief to set against the profits of an equivalent accounting period of another group member. Assets can be transferred between group members without giving rise to a chargeable gain at the time of transfer.

Inter-company dividends

A company is not taxable on a dividend received from another company resident in the United Kingdom (UK). Such dividend income if received with the tax credit is called "franked investment income". When the company itself pays a dividend, it makes a "franked payment".

Tax rates

There is a lower rate of Corporation Tax for companies with small profits, known as the small profits rate (SPR), formerly the small companies' rate (SCR). This rate applies when the profits are below a lower limit (as given in HMRC National Statistic Table A.6 that is published separately https://www.gov.uk/government/publications/rates-of-corporation-tax). Between that limit and an upper limit, the company is taxed at the main rate, but most companies can claim marginal relief to give a smooth progression in the average tax rate from the lower rate to the main rate. Above the upper limit, the main rate applies. Refer to Annex C for diagrams illustrating how the rates and liabilities change as profits increase. The profit limits are restricted for companies associated with one or more other companies according to the number of associated companies to prevent abuse by a company fragmenting into smaller ones.

Different tax rates apply to companies with income and gains from North Sea oil extraction or oil rights, known as 'ring fence' companies. These companies are also subject to a supplementary tax charge on their ring fence profits.

A special tax rate applies to unit trusts and open-ended investment companies.

Payment and assessment arrangements

Companies are required to assess their own Corporation Tax liabilities on broadly the same principles that underlie income tax self-assessment. However, unlike income tax, the deadline for paying Corporation Tax is *before* the deadline for filing the company tax return. The company tax return has to be filed within 12 months after the end of the accounting period.

Small companies have to pay Corporation Tax within 9 months and a day of the accounting period end date. Large companies with taxable profits of more than £1.5 million annually are normally required to pay by quarterly instalment payments (QIPs), where the first instalment becomes due in month 7 of the accounting period. Groups can set up Group Payment Arrangements whereby one nominated company makes instalment payments on behalf of the group.

From 1 April 2011, companies must submit their tax returns to HMRC online for accounting periods ending after 31 March 2010. Tax computations and (with a few exceptions) company accounts must be submitted in Inline eXtensible Business Reporting Language (iXBRL) format. Corporation Tax must also be paid electronically.

Historical Background

Table 1. A summary of the history of the UK Corporation Tax regime

Date	Corporation Tax changes
1965	Corporation Tax (CT) introduced, with a uniform rate on all profits. An additional charge to income tax was made when profits were distributed
1973	Small Companies' Rate (SCR) introduced, with Marginal Relief to smooth the progression between the SCR and the Main Rate. Advance Corporation Tax (ACT) and tax credits (the "partial imputation system") introduced
1980s	Substantial reductions in the Main Rate (from 52% to 35%) and the SCR (from 40% to 25%). Reforms to the capital allowances regime
1990s	Continued reductions in the Main Rate (from 35% to 30%) and the SCR (from 25% to 20%)
October 1993	Corporation Tax Pay and File system introduced
2 July 1997	Tax credits on dividends abolished
1999	ACT abolished. Corporation Tax Self Assessment introduced. Quarterly instalment payments (QIPs) introduced for large companies
1 April 2000	Starting Rate of 10% introduced
1 April 2002	Starting Rate cut to zero. SCR reduced from 20% to 19%
1 April 2004	Non-Corporate Distributions Rate (NCDR) introduced on profits distributed to "persons who are not companies"
1 April 2006	Starting Rate and NCDR replaced by a single rate set at the SCR
1 April 2007	SCR raised from 19% to 20%
1 April 2008	Main Rate reduced from 30% to 28%. SCR raised from 20% to 21%
1 April 2011	Main Rate reduced from 28% to 26%. Small Profits Rate (SPR), formerly known as SCR, reduced from 21% to 20%. Introduction of compulsory online filing for Company Tax returns
1 April 2012	Main Rate reduced from 26% to 24%
1 April 2013	Main Rate reduced from 24% to 23%
1 April 2014	Main Rate reduced from 23% to 21%

Companies have been charged to Corporation Tax since 1965. Before that, they were liable to income tax on their total income and to profits tax. The system introduced in 1965 charged a uniform rate on all profits and an additional charge to income tax was made when profits were distributed.

The small companies' rate (SCR) was introduced in 1973 to allow companies with profits below a specified lower limit to pay a lower rate of Corporation Tax. A system of marginal relief enabled a smooth progression in the average tax rate from the SCR to the main rate as profits increased.

In 1973, a 'partial imputation system' was introduced to mitigate the double tax charge when profits are distributed. This was achieved by the twin mechanisms of Advance Corporation Tax (ACT) and tax credits. A company paid ACT when it paid a dividend. ACT could be set off, within a limit, against the Corporation Tax liability of the accounting period. The remaining tax liability was called "mainstream" Corporation Tax (MCT). ACT was used to finance the tax credit for the shareholder receiving the dividend. A company only had to pay ACT on the excess of its franked payments over its franked investment income. A subsidiary could pay a dividend to its parent company without paying ACT and a parent could surrender ACT it had paid to a subsidiary company.

A company that could not set off the whole of the ACT paid against the tax charged on its profits had "surplus ACT". This could be carried back for up to 6 years (up to 2 years before 1984) to reduce tax liability in earlier accounting periods, or it could be carried forward without time limit. In any accounting period, the amount of ACT set against tax on profits was limited to the amount that, together with the distribution to which it related, absorbed the whole of the profits of the accounting period.

ACT was payable on the 14th day of the month following the end of the quarter in which the distribution was made and mainstream Corporation Tax was payable 9 months after the end of the accounting period. Before 1990-91, payment rules allowed a longer period before mainstream tax was paid. Some companies paid mainstream tax up to 21 months after the end of their accounting periods.

In October 1993 Corporation Tax Pay and File was introduced. Under this administrative system, after nine months a company was required to pay its own estimate of its mainstream Corporation Tax liability, rather than an estimate produced by the tax inspector. After twelve months, it submitted a standard return giving the basis of the liability. Further payments and repayments could be made when a final assessment of tax was agreed. This system also introduced some changes to accounting methods that increased the recorded levels of both payments and repayments, but had no effect on net receipts.

In July 1997, a series of reforms of tax credits and Corporation Tax payments was introduced. Payments of tax credits to pension schemes and UK companies were abolished on dividends paid on or after 2 July 1997 and the remaining payments of tax credits were cut from 6 April 1999. ACT was abolished for dividends paid on or after 6 April 1999, as were Foreign Income Dividends that allowed companies to pay dividends without tax credits.

In 1999, Corporation Tax Self Assessment was introduced. A system of Quarterly Instalment Payments (QIPs) was introduced for large companies starting with accounting periods ending on or after 1 July 1999. The first instalment became due in month 7 of the accounting period with further instalments due in months 10, 13 and 16 with any balance to be paid 9 months after the end of the period. Transitional arrangements phased in the change over four years. Quarterly payments were first made in January 1999 and the first large amounts were paid in July 1999.

In April 2000, a new starting rate of 10 per cent was introduced on profits up to £10,000, with a higher marginal rate on profits in the band £10,000 to £50,000. In April 2002, the starting rate was reduced to zero and the small companies' rate of Corporation Tax to 19 per cent. In April 2004, a 19 per cent rate of Corporation Tax was introduced on profits distributed to persons who are not companies, commonly referred to as the Non-Corporate Distributions Rate (NCDR). The zero per cent starting rate led to a significant growth in tax-motivated incorporations. In the 2005 Pre-Budget Report, the NCDR and zero per cent rates were replaced with a single rate set at the small companies' rate.

The Bank Levy

The Bank Levy is an annual charge based on the equity and liabilities reported in year-end balance sheets, for periods of account ending on or after 1 January 2011. The Bank Levy applies to the following:

- UK banks, banking groups and building societies
- Foreign banking groups operating in the UK through permanent establishments or subsidiaries
- UK banks and banking sub-groups in non-banking groups

No charge arises on the first £20 billion of chargeable equity and liabilities of the relevant period, which in practice means that only banks with a large operating presence in the UK pay the Bank Levy.

The Bank Levy is returned to HMRC as part of the supplementary pages to the CT600 company tax return. Liabilities and receipts are recorded on the HMRC COTAX system. All companies subject to the Bank Levy are deemed to be 'large companies' for payment purposes and therefore all liabilities are paid as quarterly instalments under the same provisions as Corporation Tax.

Bank Levy liabilities are excluded from the CT liabilities in this publication.

Bank Levy Rates

The rates are:

01 January 2011 – 28 February 2011
0.5% for short-term chargeable liabilities and 0.025% for long-term chargeable equity and liabilities.

01 March 2011 – 30 April 2011
0.1% for short-term chargeable liabilities and 0.05% for long-term chargeable equity and liabilities.

01 May 2011 – 31 December 2011
0.075% for short-term chargeable liabilities and 0.0375% for long-term chargeable equity and liabilities.

01 January 2012 – 31 December 2012
0.088% for short-term chargeable liabilities and 0.044% for long-term chargeable equity and liabilities.

01 January 2013 – 31 December 2013
0.130 % for short-term chargeable liabilities and 0.065% for long-term chargeable equity and liabilities.

01 January 2014 onwards

0.156% for short-term chargeable liabilities and 0.078% for long-term chargeable equity and liabilities.

Banking Sector Tax Receipts Statistics

HMRC Official Statistics on CT and PAYE receipts from the Banking Sector were published for the first time on 31 August 2011. The latest publication is available on The HMRC National Statistics website:
https://www.gov.uk/government/collections/paye-and-corporation-tax-receipts-from-the-banking-sector

SECTION 4: Corporation Tax receipts

Background

Table 11.1A has historically been updated and released bi-annually after the published Corporation Tax (CT) forecasts in the autumn and spring. Previously it also included forecasts of Corporation Tax receipts, but when the Office for Budget Responsibility was formed, they became responsible for publishing Corporation Tax forecasts. This table is now published annually in the summer.

Before October 2011, a single table 11.1 contained information on both receipts and liabilities. To make the presentation clearer for users, this information is now split into separate tables 11.1A and 11.1B.

Table 11.1A Corporation Tax and Bank Levy net receipts, 1999-00 to 2013-14

This table depicts net receipts of CT (receipts after repayments) in each financial year from 1999-00 onwards, with a broad industry sector split.

Receipts statistics may be revised following the end of the financial year when an annual reconciliation of receipts recorded for each tax/duty takes place ahead of publication in the HMRC Trust Statement. From this point the total receipts figure is final, but the split between sectors may change over the next few years. This is as information on how corporate groups have allocated their overall payment between member companies in different sectors is finalised. The receipts data is aggregated by financial year.

The Bank Levy, which was introduced from 1 January 2011, is returned to HMRC as part of the supplementary pages to the CT600 company tax return. Liabilities and receipts are recorded on the HMRC COTAX system. All companies subject to the Bank Levy are deemed to be 'large companies' for payment purposes and therefore all liabilities are paid as quarterly instalments under the same provisions as Corporation Tax. Payments began to be received during 2011-12.

The total CT net receipts figures are checked for consistency with the latest financial outturn position (whether before or after finalisation of the HMRC Trust Statement, depending on the timing of the release). Receipts figures are subject to ongoing quality assurance and daily scrutiny as part of the HMRC role in monitoring the public sector finances.

In 1999, there were major changes to the way in which CT payments were made. For an accounting period ending in June 1999 or earlier, Advance Corporation Tax (ACT) was levied on any dividend payments by the company, usually in the following quarter. Mainstream Corporation Tax (MCT) was then due nine months and a day after the end of the accounting period, allowing for any ACT already paid (ACT set off). For accounting periods ending July 1999 or later there is no ACT; however, large companies were required to make quarterly instalment payments (QIPs) around 5½ and 2½ months before the end of the accounting period, and around ½ and 3½ months after the end. Initially, each QIP was intended to represent 15 per cent of the company's estimate of its likely liability for the year as a whole, with a 40 per cent balancing payment made nine months and a day after the end of the accounting period (the same point at which MCT had been payable). However, the QIP size was increased progressively, and for accounting periods ending July 2002 or later, each QIP is intended to represent 25 per cent of the company's likely liability for the year with no balancing payment. Currently companies making profits for any accounting period at a rate of over £1.5 million annually must normally pay by instalments. Other companies are not required to pay in instalments and must make a single payment by nine months and a day after the end of the accounting period. Special rules apply to tax payable on ring fence profits from North Sea oil companies.

The net effect of the introduction of QIPs and the abolition of ACT has been to reduce the interval between liabilities accruing and payments being made. The majority of each year's liability is now paid in the financial year corresponding to the calendar year in which the liabilities accrued, although a substantial portion is still not paid until the following financial year. The transition to QIPs exaggerated both the peak in receipts in 1999-00, and the subsequent decline relative to the underlying movements in liabilities.

Key points:

1. The total net CT receipts in 2013-14 stood at £39.3 billion. This figure is net of around £970 million of tax credits given as enhanced relief. These tax credits increase the value of deductions against chargeable profits, reducing the total Corporation Tax charge. Reduced liability tax credits can be claimed in certain circumstances, for example where a company carries out qualifying research and development activity.

2. Total net CT receipts fell from £43.1 billion in 2008-09 to £35.8 billion in 2009-10, a decrease of 17 per cent. This was followed by an increase of 18 per cent to £42.1 billion in 2010-11. In 2010-11 to 2011-12, there was little change, with receipts rising slightly to £42.2 billion in 2011-12. This was followed by a decrease of 6 per cent in 2012-13 to £39.5 billion and a further 1 per cent reduction in 2013-14 to £39.3 billion. Reductions in the main rate of CT will have affected receipts; the rate fell from 28 per cent in 2010-11 to 26 per cent in 2011-12, 24 per cent in 2012-13 and 23 per cent in 2013-14.

3. CT receipts from UK Oil & Gas companies fell by 49 per cent from £9.8 billion in 2008-09 to £5.0 billion in 2009-10 as oil prices dropped back from their previous highs, before rising again by 37 per cent to £6.9 billion in 2010-11 as oil prices began to increase again. Receipts rose again by 29 per cent to £8.8 billion in 2011-12 as oil prices continued to rise and the CT supplementary charge was increased to 32 per cent from 20 per cent on 24 March 2011. Sharp declines in production and rising capital expenditure were the main contributory factors in CT receipts falling by 50 per cent to £4.4 billion in 2012-13 and then by 19 per cent to £3.6 billion in 2013-14.

4. The 2012-13 to 2013-14 reduction in overall CT receipts also reflects a £0.7 billion reduction in receipts from the Life Assurance sector.

5. CT receipts from the Onshore companies increased from £35 billion in 2012-13 to £35.7 billion in 2013-14.

6. Bank Levy was introduced in January 2011 and the first payments were received in August 2011. Receipts of the Bank Levy remained the same in 2011-12 and 2012-13 at £1.6 billion and have increased by 38 per cent in 2012-13 from £1.6 billion to £2.2 billion in 2013-14. This is mainly due to the increase in the rate of the Bank Levy.

Table 11.1A

Corporation tax and Bank Levy

Corporation tax and Bank Levy net receipts 1999-00 to 2013-14

£ millions

Corporation tax net receipts	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14[1]
Onshore companies - net receipts excluding ACT															
By type of payment:															
Mainstream corporation tax	19,448	-208	-1,766	-1,574	-1,430	-872	-595	-380	230	-71	156	24	-56	-151	-91
Large company quarterly instalments and balancing payments	11,989	26,316	24,765	20,943	19,627	22,680	26,005	27,755	28,572	21,331	19,137	23,658	21,246	23,476	22,448
Small company payments	..	4,433	5,716	6,416	6,894	7,967	9,196	10,228	11,854	11,999	11,518	11,576	12,121	11,715	13,361
Total	31,437	30,541	28,715	25,785	25,091	29,775	34,606	37,603	40,656	33,259	30,811	35,258	33,311	35,040	35,718
By industrial sector[2]:															
Manufacturing	..	5,529	5,077	4,220	3,664	4,646	4,822	4,587	4,435	3,774	4,551	5,454	4,582	4,988	4,638
Distribution	..	3,942	3,976	4,461	4,559	4,475	4,279	5,098	5,702	5,003	5,011	5,795	5,317	5,439	5,676
Other industrial and commercial[3]	..	9,769	9,146	9,906	9,855	11,732	14,300	15,741	18,130	16,826	15,627	16,763	18,035	18,110	19,925
Financial excluding life assurance	..	8,445	8,094	6,409	5,844	7,282	9,543	10,733	10,293	6,954	4,565	6,157	4,456	5,146	4,797
Life assurance	..	2,856	2,422	789	1,169	1,640	1,662	1,444	2,097	701	1,058	1,089	921	1,357	682
Total	31,437	30,541	28,715	25,785	25,091	29,775	34,606	37,603	40,656	33,259	30,811	35,258	33,311	35,040	35,718
North Sea companies - net receipts excluding ACT															
Mainstream corporation tax	578	-65	92	-5	-69	-60	-53	-39	4	-16	-10	35	-5	0	0
Quarterly instalments and balancing payments[4]	570	2,394	3,423	3,667	3,126	3,891	7,360	6,748	5,724	9,842	5,008	6,828	8,845	4,412	3,556
Total	1,148	2,329	3,515	3,662	3,057	3,831	7,307	6,709	5,728	9,826	4,998	6,863	8,840	4,412	3,556
Advance corporation tax - net receipts[5]	1,737	-449	-189	-179	-71	-33	-84	-4	-1	-8	-4	..	..	..	..
Total net receipts of corporation tax[6]	34,322	32,421	32,041	29,268	28,077	33,573	41,829	44,308	46,383	43,077	35,805	42,121	42,151	39,452	39,274
Bank Levy[7]	..	..	..	..	..	..	..	..	..	..	..	..	1,612	1,594	2,200

Updated May 2015

[1] For 2013-14 and subsequent years the breakdow ns of net receipts betw een onshore and North Sea companies, and betw een sectors w ithin onshore companies, are subject to change as payments originally made in respect of a group of companies are re-allocated to individual companies w ithin the group. The current breakdow n for 2013-14 is based on the latest available information on likely eventual reallocations.

[2] To ensure that the total HMRC receipts are categorised in this table are in line w ith the HMRC trust statement totals, an estimate has been made of distribution of uncategorised payments betw een the sectors

[3] Including overseas companies.

[4] The figures for 2002-03 and subsequent years include the supplementary charge in respect of ring fence trades. The amounts are £293 million in 2002-03, £766 million in 2003-04, £1,041 million in 2004-05, £2,097 million 2005-06 £1,790 million in 2006-07, £2,326 million in 2007-08, £4,110 million in 2008-09, £2,159 million in 2009-10, £3,054 million in 2010-11, £4,126 million in 2011-12, £2,485 million in 2012-13 and £1,891 million in 2013-14.

[5] Net receipts figures for Advanced Corporation Tax are no longer collected separately from 2010-11 onw ards.

[6] The figures for 2002-03 and subsequent years are net of tax credits given as enhanced relief. The amounts are £200 million in 2002-03, £400 million in 2003-04, £450 million in 2004-05, £550 million in 2005-06, £550 million in 2006-07, £650 million in 2007-08, £850 million in 2008-09, £800 million in 2009-10, £900 million in 2010-11, £950 million in 2011-12, £1,000 million in 2012-13 and £950 in 2013-14.

[7] Bank Levy is a new tax introduced from 1 January 2011. Payments began to be received from 2011-12 onw ards.

The next scheduled release is in August 2015, which will show Corporation Tax and Bank Levy receipts to 2014-2015.

Contact details for this publication:

Natalie Button
Tel: 03000 586571
E-mail: ct.statistics@hmrc.gsi.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

https://www.surveymonkey.com/s/dbtsurvey1

SECTION 5: Corporation Tax liabilities

Tables in this section

Background

The tables are released and updated annually. They concern where and how Corporation Tax (CT) liabilities have arisen rather than how and when CT is paid. They are compiled from Corporation Tax returns and assessments as recorded on the HMRC COTAX administrative system. Statistical imputation and grossing techniques are used to ensure that the estimates published are representative of the entire population.

For years shown in the tables prior to 2005-06, a stratified sample consisting of 100% of ‘large’ companies and 10% of ‘small’ companies’ were extracted from COTAX on a monthly basis for analysis. For years shown from 2005-06 onwards, figures are based on data from 100% of companies.

Corporation Tax returns are allocated to financial years according to the end date of the accounting period. For large companies these end dates are generally 31 December or 31 March in respect of calendar or financial year accounting periods. Corporation Tax returns are normally due twelve months after the end of an accounting period, and then it takes a further period to capture the data electronically. Allowing for this and late returns, there is some delay before the estimates for a relevant year become available. In this current release, the most recent available estimates for liabilities relate to 2012-13.

Industry breakdown

Tables 11.4, 11.5, 11.7 and 11.10 include breakdowns by industrial sectors, e.g. ‘Agriculture, Forestry and Fishing’. For the first time the classification is based on the UK Standard Industrial Classification (SIC) 2007 standard. Companies have been assigned to a SIC 2007 sector based on information from the ONS’s Inter-Departmental Business Register (IDBR) survey where there was a unique match, or otherwise from information provided by companies to Companies House. Some categories have been amalgamated in order to protect taxpayer confidentiality.

In previous releases these tables have been shown with industrial sectors based on HMRC’s Summary Trade Classification (STC) codes, which are assigned by HMRC staff based on information supplied by taxpayers. STC codes are based on the Standard Industrial Classification (SIC) from 1992. Versions of tables 11.5 and 11.7 with industrial sectors based on STC are shown in Annex D for comparison.

Further information about the IDBR can be found at the following link:
http://www.ons.gov.uk/ons/about-ons/products-and-services/idbr/index.html

Further information about industrial classification by the ONS and by Companies House can be found at the following links:
http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/standard-industrial-classification/index.html

http://www.companieshouse.gov.uk/infoAndGuide/sic/sic2007.shtml

Table 11.1B Corporation Tax liabilities, 1999-00 to 2012-13

Table 11.1B provides estimates of CT liabilities for accounting periods ending in each financial year. These estimates relate to tax accruing on profits earned in the financial year shown. The table is split into broad business categories of industrial and commercial companies, financial companies excluding life assurance, life insurance and offshore (ring-fenced oil and gas companies).

From 2004-05 the liabilities for North Sea oil companies shown in table 11.1B onwards are calculated using an improved methodology in line with other tables in this release. The North Sea Oil figures for up to and including 2003-04 are based on the previous methodology and remain unchanged.

Key points:

1. Total Corporation Tax liabilities for 2012-13 were £41.3 billion, compared to £43.8 billion in 2011-12, a 4 per cent decrease.

2. Corporation Tax liabilities from ring-fenced oil and gas companies decreased from £8.3 billion in 2011-12 to £4.3 billion in 2012-13, a drop of 43 per cent. Sharp declines in production and rising capital expenditure are the main factors in this decrease.

3. Reductions in the main rate of Corporation Tax from 28% to 26% in April 2011 and from 26% to 24% in April 2012 are also an important factor behind the level of liabilities in this comparison.

4. Onshore liabilities (i.e. from companies other than ring-fenced oil and gas companies) increased from £34.8 billion in 2011-12 to £36.6 billion in 2012-13, a 5 per cent increase.

5. For industrial and commercial companies and financial companies excluding life assurance, liabilities in 2012-13 increased by 6 and 3 per cent, respectively. However, liabilities from life assurance companies decreased 3 per cent in 2012-13.

Table 11.1B

Corporation Tax

Corporation tax liabilities 1999-00 to 2012-13 [1]

Amounts: £ million

Corporation tax liabilities After ACT set off [2]	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 [4]	2006-07	2007-08 [5]	2008-09	2009-10	2010-11	2011-12	2012-13
Onshore companies														
Industrial and commercial [3]	16,249	17,630	17,545	18,142	18,648	22,226	24,010	26,920	27,970	25,539	25,193	28,191	28,320	29,992
Financial excluding life assurance	7,205	7,436	6,518	6,014	6,465	6,988	8,990	9,603	9,801	5,856	6,668	6,460	5,343	5,527
Life assurance	2,131	3,312	869	1,211	1,077	1,741	2,705	1,726	1,844	651	1,030	1,100	1,142	1,109
Total	25,585	28,378	24,932	25,367	26,190	30,955	35,705	38,249	39,615	32,046	32,891	35,751	34,805	36,628
North Sea companies	1,258	3,180	3,080	2,810	3,860	4,332	7,295	4,518	5,623	10,188	5,273	7,515	8,265	4,699
Total liabilities of corporation tax (after ACT set off)	26,843	31,558	28,012	28,177	30,050	35,287	43,000	42,767	45,238	42,234	38,164	43,266	43,070	41,327

Updated August 2014

[1] Figures are derived from company returns with Accounting Periods ending in the particular financial year, i.e. 1 April to the following 31 March.

[2] See Table 11.2 for details of ACT set off, which reduced substantially following the abolition of ACT on dividends.

[3] Including overseas and companies not classified elsewhere.

[4] From 2005-06 the figures have been evaluated using data for all companies rather than a sample.

[5] From 2007-08 the figures have been revised using latest available HMRC data.

The next scheduled release is in August 2015, which will show Corporation Tax liabilities to 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Table 11.2: Income, allowances, deductions and tax liabilities by company sector, 2007-08 to 2012-13

This table provides estimates of trading profits and other income subject to tax alongside the allowances and deductions set against these profits and income, and the resulting Corporation Tax liabilities. The table is split into broad business categories of industrial and commercial companies and financial companies excluding life assurance.

The table is organised to follow the main stages of the tax assessment, starting with gross taxable trading profits (or 'gross case 1 profits') reflecting the impact of the tax rules in allowing or disallowing expenses which may be recorded against profits in companies' commercial accounts. Capital allowances, as detailed in HMRC National Statistic Table A.5 that is published separately (http://www.hmrc.gov.uk/statistics/ct-receipts/table-a5.pdf) are then set against these trading profits, as are trading losses brought forward from previous years. Other taxable income and net capital gains are added in but then offset by any trading losses in the same period. Charges, other allowable deductions and group relief (i.e. losses surrendered by one member of a company group to set against the profits of another group member) are then subtracted, to obtain profits chargeable to Corporation Tax.

The next line depicts the total Corporation Tax charge, before reliefs are applied, taking into account whether the company was taxed at the main rate or the small profits rate (or the starting rate that applied between 2000-01 and 2005-06). The following line shows marginal relief for companies with profits between the upper and lower thresholds (refer to Annex C for more detail about marginal relief). There is then ACT set off (explained in the notes to table 11.1A above), double taxation relief (which allows for tax companies which may have already paid on overseas profits in the countries where those profits were earned) and other minor adjustments.

Note that the liabilities figures in table 11.2 are consistent with those in table 11.1B, though 11.1B includes small amounts of overseas company liabilities within the industrial and commercial category.

Key points:

1. Corporation Tax liabilities, after the deduction of set-offs, are estimated to have increased by £2.0 billion between 2007-08 (£28.0 billion) and 2012-13 (£30.0 billion) for industrial and commercial companies (excluding overseas and North Sea oil companies).

2. However, financial companies (excluding life assurance) saw a decrease of £4.3 billion over the same period (from £9.8 billion in 2007-08 to £5.5 billion in 2012-13).

3. In 2012-13 financial companies saw a reduction in gross taxable trading profits from 2011-12 (down £10.0 billion to £49.0 billion or 17 per cent). However there was also a large drop in the use reliefs by these companies compared to 2011-12, which meant an overall increase in profits chargeable and CT liability (after ACT setoff). Capital allowances (less balancing charges) offset against trading profits were down from £5.0 billion to £3.4 billion (or 32 per cent), and trading losses from previous years offset against this year's trading profits decreased from £15.2 billion to £7.9 billion (or 48 per cent).

4. In the period covered in this table double taxation relief declined steadily from £18.1 billion in 2008-09 to £3.4 billion in 2012-13.

5. The component of table 11.2 titled ‘Capital allowances (less balancing charges) offset against trading profits’ refers to capital allowances claimed and actually used (otherwise known as capital allowances ‘biting’), less balancing charges. This differs from the component of table 11.3 titled ‘Capital allowances’ which refers to capital allowances claimed, less balancing charges.

Table 11.2

Corporation Tax

Income, allowances, deductions and tax liabilities by company sector, 2007-08 to 2012-13 [1]

Amounts: £ million

	Industrial and commercial companies excluding overseas and North Sea oil companies [2]						Financial companies excluding life assurance					
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Gross taxable trading profits	195,239	197,459	200,373	217,350	226,504	236,023	56,799	54,048	60,654	62,672	59,135	49,003
Capital allowances (less balancing charges) offset against trading profits	41,003	38,153	43,541	46,012	46,923	44,862	5,647	4,004	4,481	5,286	5,010	3,398
Trading losses from previous years offset against this year's trading profits	9,699	9,256	10,230	12,347	13,066	14,244	1,703	9,345	13,751	15,322	15,179	7,910
Other taxable income and net capital gains	134,399	147,859	94,721	62,237	62,935	64,238	54,124	60,941	42,406	28,072	26,953	25,640
Trading losses offset against other income	15,125	13,965	9,067	7,372	6,957	5,446	8,116	3,171	1,641	1,412	1,660	818
Charges paid and offset against profits	1,594	1,418	1,313	1,429	1,605	1,639	508	714	187	184	227	148
Group relief received	92,944	106,486	78,840	71,173	71,351	71,881	40,714	53,055	40,448	32,853	32,354	29,321
Other deductions	19,891	23,615	20,759	19,683	19,223	20,231	9,106	9,850	8,778	7,797	6,760	8,114
Profits chargeable to corporation tax	149,382	152,425	131,344	121,571	130,314	141,958	45,129	34,850	33,774	27,890	24,898	24,934
Charge to corporation tax	41,282	40,819	34,557	31,664	32,326	33,016	13,323	9,630	9,221	7,657	6,510	6,043
Marginal Small Companies Relief	610	438	342	379	382	319	26	16	13	14	13	11
Advance corporation tax set off	135	24	23	17	12	19	6	0	0	0	0	0
Double taxation relief	12,570	14,779	8,920	3,199	3,825	2,960	3,383	3,358	2,335	1,082	1,056	444
Income tax set off and other non-standard reductions	7	56	85	-111	-195	-259	107	400	203	102	97	61
Corporation tax liabilities (after ACT set off)	27,960	25,523	25,187	28,180	28,303	29,977	9,801	5,856	6,668	6,460	5,343	5,527

Updated August 2014

[1] Figures are derived from company returns with Accounting Periods ending in the particular financial year, i.e. 1 April to the following 31 March.

[2] Figures exclude the overseas sector which are included with the industrial and commercial totals in table 11.1B.

The next scheduled release is in August 2015, which will show Corporation Tax: income, allowances, deductions and tax liabilities by company sector, to 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Table 11.3 Corporate income, allowances and tax liabilities, 2005-06 to 2012-13

This table provides a summary of corporate income and Corporation Tax liabilities from 2005-06 to 2012-13.

Key points:

1. The number of companies with trading profits in accounting periods ending in 2012-13 was up 7.5 per cent to 1.17 million. The number with a tax liability in 2012-13 was up 10 per cent to 1.06 million.

2. There were larger increases in the number of companies paying the marginal starting rate and starting rate than those paying the main rate.

3. In 2012-13, 1.06 million profit-making companies had total chargeable profits of £184.1 billion, an increase in profits of 3 per cent on the previous year. However gross trading profits (before capital allowances) dropped by 2 per cent and capital allowances dropped by 7 per cent over the same period.

4. About two thirds of the total chargeable profits in 2012-13 (attributable to around 44 thousand companies) were taxed at the 24% main rate of Corporation Tax. The remaining 1.2 million companies either received marginal relief against their main rate liability or were taxed at the 20% small profits rate of CT.

5. 969 thousand companies fell into the 20% small profits rate of Corporation Tax in 2012-13. A further 44 thousand companies with profits above £300,000 were liable at 24% but received marginal small profits relief. The marginal small profits relief is calculated on a sliding scale for profits between £300,000 and £1.5 million (see Appendix C).

6. From the overall £41.3 billion Corporation Tax liability in 2012-13, about 7 thousand of the typically very largest companies claimed £4.3 billion in 'Double tax relief' in respect of tax suffered abroad on income repatriated to the UK (comprising mainly dividends).

7. An estimated 183 companies claimed deductions of Advance Corporation Tax (ACT) totalling £19 million in 2012-13. No new ACT has arisen on dividends paid on or after 6 April 1999 and this amount represents a deduction from the pool of 'surplus' ACT that certain companies are carrying forward.

8. Other reliefs include both deductions and certain charges to tax (for example tax payable in respect of controlled foreign companies). While

the amount of charges has stayed relatively stagnant in recent years, there has been a downward trend in deductions, with charges exceeding deductions for the first time in 2012-13.

Table 11.3

Corporation Tax

Number, income, allowances, tax liabilities and deductions
Financial years 2005-06 to 2012-13 [1]

Numbers: actual; Amounts: £ millions

	2005-06 [10]		2006-07		2007-08		2008-09	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Gross taxable trading profit [2]	867,157	249,665	917,009	269,706	972,101	274,612	959,019	283,864
Capital allowances [3]	697,615	65,858	789,632	79,296	856,265	74,850	915,595	70,621
Net trading profits [4, 2]	831,223	200,180	868,361	210,290	920,788	221,162	892,858	236,187
Other income & gains	676,540	167,333	706,212	195,063	763,294	211,100	782,418	225,751
Deductions allowed	347,941	157,487	413,656	182,678	460,719	214,474	484,371	246,199
Total chargeable profits	895,430	210,026	886,907	222,684	924,260	217,794	890,593	215,744
Rates at which profits charged [5]								
Main rate	45,049	156,782	48,045	168,346	48,139	157,918	46,768	161,193
Marginal small profits rate [6]	37,722	11,958	40,738	13,062	43,333	14,296	39,323	13,061
Small profits rate [6]	299,237	34,194	798,124	41,276	832,787	45,580	804,502	41,491
Marginal starting rate	253,782	5,992						
Starting rate [7]	259,640	1,100						
Total tax charge [8]	895,430	60,348	886,907	64,273	924,259	62,966	890,593	62,610
Double tax relief	6,798	16,217	7,614	20,193	8,091	16,522	8,287	19,114
Act set-off	715	66	728	87	599	141	408	25
Income tax set-off	25,340	350	31,600	413	33,289	426	31,874	574
Other reliefs [9]	289,096	715	247,058	813	44,776	639	40,691	665
Corporation tax payable	680,005	43,000	877,806	42,768	916,999	45,238	885,669	42,233

	2009-10		2010-11		2011-12		2012-13 [11]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Gross taxable trading profit [2]	968,035	284,893	1,021,178	307,067	1,086,404	314,723	1,167,903	308,980
Capital allowances [3]	915,891	74,316	892,416	74,435	894,784	80,841	914,547	75,536
Net trading profits [4, 2]	897,663	229,941	956,719	250,015	1,022,719	254,180	1,109,605	251,941
Other income & gains	641,994	155,523	533,412	108,699	533,405	108,295	551,041	106,161
Deductions allowed	441,321	201,988	418,636	186,148	424,308	184,191	411,853	174,008
Total chargeable profits	873,430	183,480	908,927	172,577	967,655	178,296	1,062,010	184,106
Rates at which profits charged [5]								
Main rate	40,237	132,489	39,592	118,192	40,954	119,094	44,043	119,309
Marginal small profits rate [6]	36,552	11,987	40,149	13,522	43,709	14,893	49,175	17,147
Small profits rate [6]	796,641	39,003	829,186	40,863	882,992	44,309	968,792	47,649
Marginal starting rate								
Starting rate [7]								
Total tax charge [8]	873,430	50,936	908,927	48,770	967,655	49,174	1,062,010	45,944
Double tax relief	7,761	11,904	6,802	4,947	7,009	5,616	7,174	4,310
Act set-off	276	23	209	17	192	12	183	19
Income tax set-off	22,872	431	15,936	275	13,318	306	13,416	309
Other reliefs [9]	37,811	414	40,719	265	43,456	171	48,367	-21
Corporation tax payable	867,319	38,164	903,263	43,265	962,364	43,069	1,056,610	41,327

Updated August 2014

[1] Figures correspond to company accounting periods ending in the financial years shown.

[2] A single company may have a number of different sources of income so trading profit and other income will overlap in tables 11.3, 11.4 and 11.5.

[3] Capital allowances less balancing charges.

[4] Overall this will exceed gross trading profit minus capital allowances since if this subtraction results in a negative value for an individual company the net trading profits are deemed to be zero and not negative.

[5] An individual company can pay different rates on the total chargeable profits and so an average across accounting periods is calculated for simplicity.

[6] Since April 2010, the lower rate of Corporation Tax has been called the Small Profits Rate (SPR) rather than Small Companies' Rate (SCR). This makes clear that it is the size of the profits, rather than the size of the company, which determines the tax rate to be applied.

[7] Starting rate of Corporation Tax removed in April 2006.

[8] Includes supplementary charge on UK continental shelf profits of oil and gas companies.

[9] Reliefs not classified: non-standard tax reduction (which also includes certain charges to tax, for example tax payable in respect of controlled foreign companies) and marginal small companies relief'

[10] From 2005-06 the figures have been evaluated using data for all companies rather than a sample.

[11] Figures for the latest year are subject to the most change when the figures are next updated due to revisions in assessments.

(Tables 11.3 to 11.5)
Notes on the tables
Computation of Corporation Tax liability

1. Tables 11.3, 11.4 and 11.5 are estimated from data collected from:
   i. Companies' own Corporation Tax self assessments where they have been agreed with HM Revenue & Customs
   ii. Returns where self assessments have not been agreed
   iii. Determinations of Corporation Tax made by HM Revenue & Customs in the absence of a self assessment or return
   iv. If no other information is available, statistical extrapolations from a recent year's Corporation Tax data, or failing that statistical grossing

2. The analyses by industry use the UK Standard Industrial Classification 2007. Some categories have been amalgamated in order to protect taxpayer confidentiality.

3. The figures for Capital Allowances are the amounts which companies claim in the period less balancing charges. If Capital Allowances exceed the gross trading profit, leading to a loss for Corporation Tax, a zero is included in the net trading profits column rather than a negative figure. Losses brought forward are not deducted in arriving at net trading profits. They and losses of the current period, so far as they are allowed, are included in "Deductions allowed"

4. In Tables 11.4 and 11.5 the "number of cases" is the number of companies with positive income (gross trading income, other income or gains)

The next scheduled release is in August 2015, which will show Corporation Tax, number, income, allowances, tax liabilities and deductions for 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following

www.surveymonkey.com/s/dbtsurvey1

Tables 11.4 & 11.5 Computation of Corporation Tax liability by industry for 2011-12 and for 2012-13

These tables provide a derivation of Corporation Tax liabilities for 2011-12 and 2012-13 by industrial sector.

In previous releases these tables have been shown with industrial sectors based on HMRC's Summary Trade Classification (STC). For the first time the classification is based on the UK Standard Industrial Classification (SIC) 2007 standard. Some categories have been amalgamated in order to protect taxpayer confidentiality. A version of table 11.5 with industrial sectors based on STC is shown in Annex D for comparison.

The broad industrial categories in tables 11.1B, 11.2 and 11.3 are an amalgamation of STC categories and are thus inconsistent with the SIC 2007 categories in tables 11.4 and 11.5.

Key points for table 11.5 (2012-13):

1. In 2012-13 the largest sector by number of companies was Professional, Scientific and Technical with around 273 thousand (or 20 per cent) of the 1.34 million companies with trading profits or other income.

2. The largest sector for tax payable in 2012-13 was Wholesale and Retail Trade and Repairs with £6.1 billion (or 15 per cent) of the total tax payable of £41.3 billion.

3. The Financial and Insurance sector had the largest net trading profits in 2012-13 at £45.2 billion (or 18 per cent) of the total of £251.9 billion net trading profits for all companies.

4. Overall net trading profits were little changed in 2012-13 (up less than 1 per cent from 2011-12 to £251.9 billion). However there were shifts of liabilities sectors between 2011-12 and 2012-13: the Electricity, Gas, Steam and Air Conditioning sector was up 40 per cent to £8.3 billion and the Mining and Quarrying sector was down 36 per cent to £12.1 billion.

5. At £14.3 billion Mining and Quarrying had the largest capital allowances in 2012-13. The Financial and Insurance sector saw the biggest drop in capital allowances, down 33 per cent from £8.2 billion in 2011-12 to £5.4 billion in 2012-13.

6. Between 2011-12 and 2012-13 the number of unclassified companies reduced by over 10 thousand due to improvements in the data. Increases in individual sectors may thus be the result of either a genuine increase in the sector (i.e. from new incorporations) or an increase in companies

being assigned to a sector for the first time who were previously unclassified. This should be taken into account when comparing values in tables 11.4 and 11.5.

Key points for table 11.4 (2011-12):

1. For 2011-12 the largest sector by number of companies was Professional, Scientific and Technical with around 246 thousand (or 20 per cent) of a total 1.26 million companies with trading profits or other income.

2. The largest sector by tax payable in 2011-12 was Mining and Quarrying with £7.9 billion (or 18 per cent) of the total tax payable of £43.1 billion. This sector includes North Sea oil and gas companies which pay higher rates of Corporation Tax.

3. In 2011-12 the Financial and Insurance sector had the largest net trading profits at £53.7 billion (or 21 per cent) of the total of £254.2 billion net trading profits for all companies.

Table 11.4

Corporation Tax: financial year 2011-12 [1]

Computation of liability.

Number, income, allowances, deductions and tax, by industry

Numbers: actual   Amounts: £ millions

Industry	Number of cases with trading profits and other income [2]	Gross trading profits [2]	Capital allowances [3]	Net trading profits	Other income & gains [3]	Deductions allowed	Total chargeable profits	ACT set-off [4]	Other reliefs set against tax [5]	Tax payable
A. Agriculture, Forestry and Fishing	14,622	1,966	690	1,400	262	348	1,314		10	308
B. Mining and Quarrying	1,630	27,467	12,204	18,909	2,096	3,729	17,277		935	7,882
C. Manufacturing	79,290	34,914	9,952	27,607	2,822	13,654	16,776		86	4,219
D. Electricity, Gas, Steam and Air Conditioning	1,140	9,875	4,757	5,907	673	3,702	2,878		0	756
E. Water, Sewerage and Waste,	4,103	4,392	2,423	2,334	730	1,999	1,065		7	268
F. Construction	157,151	13,351	3,374	10,542	5,031	7,019	8,556		36	1,969
G. Wholesale and Retail Trade, Repairs	159,576	36,656	7,580	30,046	3,356	9,327	24,076		232	5,866
H. Transport and Storage	31,427	9,692	4,620	6,713	1,098	4,634	3,178		21	779
I. Accomodation and Food	41,597	5,276	1,872	3,868	1,209	2,530	2,547		6	625
J. Information and Communication	124,641	24,840	6,707	18,934	1,973	8,136	12,772		146	2,952
K. Financial and Insurance	36,429	59,910	8,151	53,552	31,266	53,325	31,493		2,888	5,154
L. Real Estate	72,733	3,588	518	3,220	8,920	7,418	4,723		19	1,138
M. Professional, Scientific and Technical	245,590	27,789	3,649	25,683	20,419	24,881	21,224		673	4,392
N. Admin and Support Services: O. Public Admin, Defence and Social Services	104,478	23,513	8,090	17,248	7,046	12,755	11,539		257	2,759
P. Education	18,590	1,307	172	1,192	54	408	839		4	191
Q. Health and Social Work	40,134	4,464	665	3,956	484	1,387	3,053		15	687
R. Arts, Entertainment and Recreation	26,642	3,738	767	3,220	535	1,676	2,079		37	477
S. Other services activities; T. Households; U. Overseas	47,171	3,782	822	3,207	802	1,686	2,323		30	522
Unclassified	49,589	18,206	3,827	16,641	19,519	25,577	10,584		691	2,123
All industries	1,256,532	314,723	80,841	254,180	108,295	184,191	178,296	12	6,093	43,069

Updated August 2014

[1] These figures relate to earnings in accounting periods ending in the financial year shown.

[2] A Single company may have a number of different sources of income so trading profit and other income will overlap in tables 11.3, 11.4 and 11.5.

[3] Capital allowances less balancing charges.

[4] Figures for ACT set-off are not shown at industrial sector level in order to protect taxpayer confidentiality.

[5] Includes double taxation relief, marginal small companies rate relief, income tax set off and non-standard tax reduction.

(Tables 11.3 to 11.5)
Notes on the tables
Computation of Corporation Tax liability

1. Tables 11.3, 11.4 and 11.5 are estimated from data collected from:
   i. Companies' own Corporation Tax self assessments where they have been agreed with HM Revenue & Customs
   ii. Returns where self assessments have not been agreed
   iii. Determinations of Corporation Tax made by HM Revenue & Customs in the absence of a self assessment or return
   iv. If no other information is available, statistical extrapolations from a recent year's Corporation Tax data, or failing that statistical grossing

2. The analyses by industry use the UK Standard Industrial Classification 2007. Some categories have been amalgamated in order to protect taxpayer confidentiality.

3. The figures for Capital Allowances are the amounts which companies claim in the period less balancing charges. If Capital Allowances exceed the gross trading profit, leading to a loss for Corporation Tax, a zero is included in the net trading profits column rather than a negative figure. Losses brought forward are not deducted in arriving at net trading profits. They and losses of the current period, so far as they are allowed, are included in “Deductions allowed”

4. In Tables 11.4 and 11.5 the “number of cases” is the number of companies with positive income (gross trading income, other income or gains)

The next scheduled release is in August 2015, which will show Corporation Tax, computation of liability for 2012-2013

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Table 11.5

Corporation Tax: financial year 2012-13 [1]
Computation of liability.
Number, income, allowances, deductions and tax, by industry

Numbers: actual Amounts: £ millions

Industry	Number of cases with trading profits and other income [2]	Gross trading profits [2]	Capital allowances [3]	Net trading profits	Other income & gains [3]	Deductions allowed	Total chargeable profits	ACT set-off [4]	Other reliefs set against tax [5]	Tax payable
A. Agriculture, Forestry and Fishing	15,421	1,971	632	1,461	295	308	1,448		7	324
B. Mining and Quarrying	1,749	21,089	14,264	12,062	2,720	4,321	10,461		851	4,111
C. Manufacturing	83,587	35,086	9,300	28,359	3,283	13,635	18,007		76	4,226
D. Electricity, Gas, Steam and Air Conditioning	1,627	12,109	5,077	8,285	845	4,323	4,807		1	1,165
E. Water, Sewerage and Waste,	4,373	4,440	2,570	2,183	666	1,805	1,045		1	249
F. Construction	163,858	15,514	2,971	12,892	5,281	8,291	9,884		26	2,194
G. Wholesale and Retail Trade, Repairs	167,892	38,049	7,386	31,857	3,584	8,964	26,479		216	6,056
H. Transport and Storage	34,305	10,806	3,771	7,794	881	4,950	3,726		18	861
I. Accomodation and Food	45,357	5,747	1,752	4,383	1,117	2,460	3,041		1	710
J. Information and Communication	137,498	27,174	6,381	21,514	2,150	8,190	15,475		144	3,407
K. Financial and Insurance	38,962	49,602	5,443	45,200	31,670	46,463	30,407		1,719	5,509
L. Real Estate	78,288	4,361	538	4,008	9,228	7,829	5,408		11	1,236
M. Professional, Scientific and Technical	272,329	28,025	3,519	26,001	19,737	23,496	22,244		522	4,532
N. Admin and Support Services: O. Public Admin, Defence and Social Services	109,196	26,039	7,163	20,221	7,247	15,097	12,372		328	2,672
P. Education	20,778	1,397	166	1,283	72	393	963		2	212
Q. Health and Social Work	47,418	4,997	618	4,506	487	1,353	3,640		11	791
R. Arts, Entertainment and Recreation	29,047	4,164	725	3,663	525	1,829	2,359		34	515
S. Other services activities; T. Households; U. Overseas	48,677	3,661	639	3,177	754	1,586	2,346		16	511
Unclassified	38,011	14,748	2,622	13,092	15,618	18,717	9,993		615	2,047
All industries	1,338,371	308,980	75,536	251,941	106,161	174,008	184,106	19	4,598	41,327

Updated August 2014

[1] These figures relate to earnings in accounting periods ending in the financial year shown.

[2] A Single company may have a number of different sources of income so trading profit and other income will overlap in tables 11.3, 11.4 and 11.5.

[3] Capital allowances less balancing charges.

[4] Figures for ACT set-off are not shown at industrial sector level in order to protect taxpayer confidentiality.

[5] Includes double taxation relief, marginal small companies rate relief, income tax set off and non-standard tax reduction.

(Tables 11.3 to 11.5)
Notes on the tables
Computation of Corporation Tax liability

1. Tables 11.3, 11.4 and 11.5 are estimated from data collected from:
   i. Companies' own Corporation Tax self assessments where they have been agreed with HM Revenue & Customs
   ii. Returns where self assessments have not been agreed
   iii. Determinations of Corporation Tax made by HM Revenue & Customs in the absence of a self assessment or return
   iv. If no other information is available, statistical extrapolations from a recent year's Corporation Tax data, or failing that statistical grossing

2. The analyses by industry use the UK Standard Industrial Classification 2007. Some categories have been amalgamated in order to protect taxpayer confidentiality.

3. The figures for Capital Allowances are the amounts which companies claim in the period less balancing charges. If Capital Allowances exceed the gross trading profit, leading to a loss for Corporation Tax, a zero is included in the net trading profits column rather than a negative figure. Losses brought forward are not deducted in arriving at net trading profits. They and losses of the current period, so far as they are allowed, are included in "Deductions allowed"

4. In Tables 11.4 and 11.5 the "number of cases" is the number of companies with positive income (gross trading income, other income or gains)

The next scheduled release is in August 2015, which will show Corporation Tax, computation of liability for 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Table 11.6 Corporation Tax payable by size of liabilities, 2008-09 to 2012-13

This table presents an analysis of Corporation Tax payable after set-offs by year of liability for companies with accounting periods ending in 2008-09 to 2012-13. It shows the distribution by size of the liability.

Key points:

1. The tax liabilities of companies show a highly skewed distribution. In 2012-13 about 6,300 companies (under 1 per cent) had liabilities of £500,000 or more, between them contributing around 62 per cent of total Corporation Tax payable.

2. Those companies with less than £10,000 payable, about 65 per cent of the total number of companies paying tax in 2012-13, paid around 6 per cent of the total Corporation Tax payable.

3. In 2012-13, around 30 companies had more than £100 million each in Corporation Tax liabilities (totalling £6.4 billion or 15 per cent of the total Corporation Tax payable). The figures for 2011-12 were around 30 companies paying £9.0 billion or 21 per cent of the total Corporation Tax payable.

4. There was an increase of nearly 100 thousand companies with liabilities in from 2011-12 to 2012-13, which was largely concentrated in companies with a Corporation Tax liability of under £1 million. There were only around 30 more companies with liabilities of £1 million or more in 2012-13 compared to 2011-12.

Table 11.6

Corporation Tax

Corporation tax payable after set-offs by year of liability

Classified by size, financial years 2008-09 to 2012-13[1]

Numbers:actual ; Amounts:£ millions

Amount of tax payable (lower limit) £	2008-09		2009-10		2010-11		2011-12		2012-13	
	Numbers [2]	Amount	Numbers [2]	Amount	Numbers [2]	Amount	Numbers [2]	Amount	Numbers [2]	Amount
>0	59,140	2	54,630	2	47,980	1	48,580	1	54,020	2
100	62,280	17	58,050	16	57,350	16	61,130	17	69,460	19
500	46,720	35	47,250	35	48,420	36	51,830	38	60,030	44
1,000	237,950	669	243,260	682	252,100	708	268,840	752	295,920	822
5,000	173,650	1,259	172,660	1,250	181,660	1,314	193,050	1,400	207,800	1,507
10,000	252,830	5,119	242,630	4,877	261,670	5,278	282,280	5,695	307,710	6,205
50,000	26,920	1,812	24,720	1,676	26,900	1,830	28,270	1,932	31,340	2,152
100,000	20,440	4,181	18,800	3,813	21,090	4,313	22,280	4,531	24,090	4,859
500,000	2,690	1,864	2,400	1,661	2,770	1,934	2,860	1,979	2,980	2,071
1,000,000	2,290	4,701	2,190	4,509	2,500	5,125	2,460	5,030	2,450	4,976
5,000,000	350	2,428	350	2,402	370	2,610	360	2,524	390	2,739
10,000,000	330	6,798	320	6,819	370	7,594	360	7,232	370	7,009
50,000,000	40	2,726	40	2,538	50	3,013	40	2,970	40	2,645
100,000,000	40	10,623	30	7,888	40	9,496	30	8,967	30	6,376
All ranges	885,670	42,233	867,320	38,164	903,260	43,265	962,360	43,069	1,056,610	41,327

Updated August 2014

[1] Figures correspond to company accounting periods ending in the financial years shown.

[2] Figures for the number of companies are rounded to the nearest ten to protect taxpayer confidentiality.

(Tables 11.6 to 11.8)

Notes on the tables
Corporation Tax payable

1. The analyses by industry use the UK Standard Industrial Classification 2007. Some categories have been amalgamated in order to protect taxpayer confidentiality.

2. The advent of instalment payments has made it necessary to alter the basis on which Tables 11.6 and 11.8 are prepared by changing them from the amounts of Corporation Tax paid in the year to the Corporation Tax payable according to the year in which the liability arose

3. Table 11.6 and 11.7 present an analysis of Corporation Tax payable arising from Corporation Tax liabilities in the financial years shown. The figures are consistent with similar figures shown in Tables 11.3, 11.4 and 11.5. Table 11.6 shows a distribution by size of Corporation Tax payable. Table 11.7 shows a distribution by industry

The next scheduled release is in August 2015, which will show Corporation Tax, payable after set-offs by year of liability for 2013-14

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Table 11.7 Corporation Tax payable by sector, 2008-09 to 2012-13

This table shows an analysis of Corporation Tax payable after set-offs by year of liability for companies with accounting periods ending in 2008-09 to 2012-13, classified by industrial sector.

For the first time the classification is based on the UK Standard Industrial Classification (SIC) 2007 standard. Some categories have been amalgamated in order to protect taxpayer confidentiality.

In previous releases this table has been shown with industrial sectors based on HMRC's Summary Trade Classification (STC). A version of table 11.7 with industrial sectors based on STC is shown in Annex D for comparison.

Key points:

1. The largest sector in terms of the number of companies with a Corporation Tax liability was the Professional, Scientific and Technical sector with around 235 thousand companies. This was followed by the Construction sector and the Wholesale and Retail Trade and Repairs sector (both with around 130 thousand companies) and the Information and Communication sector (with around 116 thousand companies).

2. In 2012-13 the sector with the greatest growth on 2011-12 was the Electricity, Gas, Steam and Air Conditioning sector. There was a 39 per cent increase in the number of companies (from 497 to 690) and a 54 per cent increase in tax payable (from £756 million to £1.17 billion).

3. The largest sector by tax payable was Wholesale and Retail Trade and Repairs with £6.1 billion (or 15 per cent) of the total tax payable of £41.3 billion. This was followed by Financial and Insurance (£5.5 billion) and the Professional, Scientific and Technical (£4.5 billion). Mining and Quarrying (which includes North Sea oil and gas) and Manufacturing were also large; these five sectors together accounted for 59 per cent of the total tax payable in 2012-13.

4. The better assignment of companies to sectors may be a factor in the increase in numbers in any category. There was a decrease of 6,658 in the number of companies which were unclassified between 2011-12 and 2012-13.

5. Between 2008-09 and 2012-13 there was a reduction of nearly £1 billion in the amount of tax payable by unclassified companies. This reduction is due to more complete data on companies' SIC 2007 codes for more recent years.

Table 11.7

Corporation Tax

Corporation tax payable after set-offs by year of liability

Classified by industry, financial years 2008-09 to 2012-13[1 2 3]

Numbers: actual; Amounts: £ millions

Industry	2008-09		2009-10		2010-11		2011-12		2012-13	
	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable
A. Agriculture, Forestry and Fishing	9,229	209	9,102	223	9,592	265	10,300	308	11,258	324
B. Mining and Quarrying	921	9,972	891	5,300	900	7,420	921	7,882	1,083	4,111
C. Manufacturing	57,349	3,519	53,872	3,293	55,088	4,114	58,406	4,219	63,632	4,226
D. Electricity, Gas, Steam and Air Conditioning	285	755	316	1,184	371	1,012	497	756	690	1,165
E. Water, Sewerage and Waste,	2,273	247	2,317	337	2,582	364	2,796	268	3,082	249
F. Construction	116,633	2,329	112,298	1,869	115,068	1,916	120,699	1,969	129,758	2,194
G. Wholesale and Retail Trade, Repairs	109,297	5,375	110,132	5,632	114,649	6,232	120,079	5,866	129,703	6,056
H. Transport and Storage	21,574	664	20,988	584	21,574	679	23,144	779	26,588	861
I. Accomodation and Food	23,680	524	24,111	517	24,829	562	27,125	625	30,597	710
J. Information and Communication	89,569	2,143	87,289	2,232	92,011	2,620	102,868	2,952	116,224	3,407
K. Financial and Insurance	20,457	4,340	20,634	5,745	22,402	6,237	24,230	5,154	27,206	5,509
L. Real Estate	41,212	946	43,407	908	46,625	1,053	50,684	1,138	56,296	1,236
M. Professional, Scientific and Technical	173,578	4,291	174,343	3,829	186,267	4,061	207,591	4,392	235,496	4,532
N. Admin and Support Services: O. Public Admin, Defence and Social Services	73,537	2,508	70,973	2,244	74,863	2,417	79,340	2,759	84,754	2,672
P. Education	11,997	186	12,377	180	13,027	214	14,256	191	16,288	212
Q. Health and Social Work	19,926	393	22,854	493	28,601	632	34,712	687	41,747	791
R. Arts, Entertainment and Recreation	15,614	370	15,491	380	16,408	399	17,900	477	20,137	515
S. Other services activities; T. Households; U. Overseas	35,837	477	33,917	445	34,317	642	35,866	522	37,778	511
Unclassified	62,702	2,986	52,007	2,769	44,090	2,425	30,952	2,123	24,294	2,047
All industries	885,669	42,233	867,319	38,164	903,263	43,265	962,364	43,069	1,056,610	41,327

Updated August 2014

[1] Figures correspond to company accounting periods ending in the financial years shown.

[2] Number of companies with Corporation Tax payable.

[3] Totals may not sum due to rounding

(Tables 11.6 to 11.8)

Notes on the tables
Corporation Tax payable

1. The analyses by industry use the UK Standard Industrial Classification 2007. Some categories have been amalgamated in order to protect taxpayer confidentiality.

2. The advent of instalment payments has made it necessary to alter the basis on which Tables 11.6 and 11.8 are prepared by changing them from the amounts of Corporation Tax paid in the year to the Corporation Tax payable according to the year in which the liability arose

3. Table 11.6 and 11.7 present an analysis of Corporation Tax payable arising from Corporation Tax liabilities in the financial years shown. The figures are consistent with similar figures shown in Tables 11.3, 11.4 and 11.5. Table 11.6 shows a distribution by size of Corporation Tax payable. Table 11.7 shows a distribution by industry

The next scheduled release is in August 2015, which will show Corporation Tax, payable after set-offs by year of liability for 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Table 11.8 Comparison of Corporation Tax payable between 2011-12 and 2012-13

This table shows a cross tabulation of Corporation Tax liabilities for companies who made a tax return in the financial year 2011-12 or 2012-13 or in both years. Companies that traded in one year but not in the other year are shown as having zero liability in the year in which they did not trade.

Key points:

1. There were 1.03 million companies with no Corporation Tax liability in 2011-12, and just under 940 thousand with no liability in 2012-13.

2. This decrease in the number of companies with no liability between 2011-12 and 2012-13 is the combined result of companies becoming liable for Corporation Tax after a year of no liability and newly trading companies becoming liable for the first time.

3. Around 780 thousand companies (39 per cent) had no Corporation Tax liability in either 2011-12 or 2012-13.

4. Around 800 thousand companies (40 per cent) had Corporation Tax payable in both 2011-12 and 2012-13.

Table 11.8

Corporation Tax

Corporation tax payable after set-offs in financial years 2011-12 and 2012-13[1]

Numbers in each size category of liability[2 3]

Numbers:Actual

Tax payable in 2011-12 (lower limit) £	Tax payable in 2012-13 (lower limit) £ 0	>0	1,000	5,000	10,000	50,000	100,000	500,000	All ranges
0	777,330	76,040	79,600	44,320	49,650	3,110	2,390	730	1,033,170
>0	58,790	62,990	29,120	6,320	4,010	240	140	20	161,620
1,000	52,510	33,200	126,820	38,950	16,590	590	280	40	268,990
5,000	23,800	6,520	42,600	78,840	40,350	720	300	30	193,150
10,000	22,730	4,270	16,870	38,390	186,240	11,250	2,570	120	282,430
50,000	2,080	220	490	630	8,690	11,640	4,420	100	28,280
100,000	1,970	150	250	240	1,920	3,690	12,980	1,090	22,280
500,000	730	20	40	20	100	80	1,010	4,150	6,130
All ranges	939,930	183,410	295,780	207,700	307,560	31,330	24,080	6,260	1,996,050

Updated August 2014

[1] Figures correspond to company accounting periods ending in the financial years shown.

[2] Figures for the number of companies are rounded to the nearest ten to protect taxpayer confidentiality.

[3] Totals may not sum due to rounding

(Tables 11.6 to 11.8)

Notes on the tables
Corporation Tax payable

1. The analyses by industry use the UK Standard Industrial Classification 2007. Some categories have been amalgamated in order to protect taxpayer confidentiality.

2. The advent of instalment payments has made it necessary to alter the basis on which Tables T11.6 and T11.8 are prepared by changing them from the amounts of Corporation Tax paid in the year to the Corporation Tax payable according to the year in which the liability arose

3. Table 11.6 and 11.7 present an analysis of Corporation Tax payable arising from Corporation Tax liabilities in the financial years shown. The figures are consistent with similar figures shown in Tables 11.3, 11.4 and 11.5. Table 11.6 shows a distribution by size of Corporation Tax payable. Table 11.7 shows a distribution by industry

The next scheduled release is in August 2015, which will show Corporation Tax, after set-offs in financial years ending 2013 and 2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Tables 11.9 and 11.10 Capital Allowance claims

Table 11.9 shows a summary of Capital Allowances due each year from 1973-74 to 2012-13. Table 11.10 shows Capital Allowances due 2008-09 to 2012-13, by type of asset and by industry.

The figures for Capital Allowances are before any claw-back for balancing charges and are therefore higher than the corresponding figures shown in tables 11.3 to 11.5 (which do take account of this).

For the first time the industrial classification is based on the UK Standard Industrial Classification (SIC) 2007 standard. Some categories have been amalgamated in order to protect taxpayer confidentiality. In previous releases these tables have been shown with industrial sectors based on HMRC's Summary Trade Classification (STC). Further information about STC and SIC 2007 classifications can be found in Annex D.

Key points:

1. Claims for Capital Allowances on qualifying assets in 2012-13 were down £4.1 billion (5 per cent) on 2011-12 to £77.9 billion.

2. By value 86 per cent of the claims in 2012-13 were in respect of allowances on plant and machinery. These claims have decreased by £3.9 billion (6 per cent) from 2011-12.

3. Claims in respect of industrial buildings were disallowed from April 2011; however a very small residual value exists for 2012-13.

4. Claims for the other assets category in 2012-13, at £11.1 billion, are at the same level as 2011-12.

5. Since 2007-08 overall levels of Capital Allowance claims have remained relatively stable, with the withdrawal of industrial buildings allowances that began in 2008 being somewhat offset by an increase claims to the other assets category.

6. The Mining and Quarrying industrial sector claimed most in the way of Capital Allowances in 2012-13, with claims of £14.6 billion (or 19 per cent of the total). This was an increase of £2.1 billion (or 17 per cent) on the previous year. Other industrial sectors with large overall claims in 2012-13 were Manufacturing (£9.4 billion) and Wholesale and Retail Trade and Repairs (£7.5 billion).

7. Claims for Annual Investment Allowance (AIA) have decreased by £1.5 billion (or 21 per cent) to £5.7 billion in 2012-13. There is a maximum allowance. For the period 1 April 2012 to 31 December 2012 the

maximum was £25,000, and for the period 1 Jan 2013 to 31 March 2013 it was £250,000.

Table 11.9

Corporation tax

Capital allowances due 1973-74 to 2012-13 summary

Amounts: £ millions

Year [1]	Total	Type of asset etc.			Type of allowance [2]		
		Plant and machinery and vehicles [6]	Industrial buildings	Other	Initial	First year	Other
1973-74	4,970	4,530	290	150	150	3,300	1,520
1974-75	5,150	4,590	320	240	190	3,740	1,220
1975-76	5,990	5,240	430	320	260	4,320	1,410
1976-77	6,840	6,020	440	380	240	4,890	1,720
1977-78	9,920	8,900	590	430	360	7,810	1,750
1978-79	12,970	11,990	590	390	360	11,100	1,500
1979-80 [3]	17,690	16,430	860	410	560	15,210	1,930
1980-81	17,520	15,840	1,100	580	780	14,390	2,350
1981-82	19,460	17,010	1,320	1,130	800	14,850	3,810
1982-83 [4]	25,300	22,360	1,550	1,400	940	19,420	4,940
1983-84	28,510	25,450	1,500	1,550	820	21,850	5,840
1984-85	31,880	27,530	1,670	2,680	830	23,550	7,500
1985-86	24,970	20,330	1,570	3,070	620	15,070	9,280
1986-87	19,520	15,940	1,060	2,520	160	4,500	14,860
1987-88	22,500	19,460	1,100	1,930	40	570	21,890
1988-89	28,370	24,990	1,130	2,260	..	..	..
1989-90	34,910	31,100	1,310	2,510	..	..	..
1990-91	39,390	35,650	1,240	2,490	..	..	..
1991-92	40,690	36,850	1,280	2,560	..	..	..
1992-93	43,240	40,020	1,220	2,000	..	..	..
1993-94	51,120	46,800	1,630	2,690	..	..	..
1994-95	50,250	45,970	1,550	2,730	..	..	..
1995-96	51,110	46,400	1,560	3,150	..	..	..
1996-97	54,720	50,000	1,620	3,100	..	..	..
1997-98	58,050	52,380	2,270	3,400	..	..	..
1998-99	63,206	56,627	1,783	4,796	..	..	..
1999-00	64,439	58,331	2,342	3,766	..	..	..
2000-01	67,804	61,641	2,581	3,582	..	..	..
2001-02	68,378	62,244	2,203	3,931	..	..	..
2002-03	73,630	65,580	2,515	5,535	..	..	..
2003-04	74,326	65,771	3,486	5,069	..	..	..
2004-05	71,085	63,286	3,034	4,765	..	..	..
2005-06 [5]	67,510	61,511	2,531	3,468	..	..	..
2006-07	81,577	70,460	2,603	8,515	..	..	..
2007-08	76,112	66,644	2,469	6,999	..	..	..
2008-09 [6]	72,016	62,311	2,195	7,510	..	..	..
2009-10	76,136	65,565	1,566	9,004	..	..	..
2010-11	75,567	64,195	841	10,531	..	..	..
2011-12	82,029	70,687	150	11,192	..	..	..
2012-13	77,897	66,783	5	11,109	..	..	..

Updated August 2014

[1] The figures relate to allowances due for accounting periods ending in the financial year 31 March.
[2] Separate information on initial and first year allowances is not available from 1988-89.
[3] Figures for 1979-80 and subsequently are on a revised basis not directly comparable with earlier years.
[4] Figures for 1982-83 and subsequently include Public Corporations.
[5] From 2005-06 the figures have been evaluated using data for all companies rather than a sample.
[6] From 2008-09 this includes annual investment allowance (AIA) qualifying expenditure (see Table 11.10).

(Tables 11.9 and 11.10)
Notes on the Tables
Capital Allowances due by industry

1. The analyses by industry use the UK Standard Industrial Classification 2007. Some categories have been amalgamated in order to protect taxpayer confidentiality.

2. The types of capital asset that qualify for relief and the rates of allowances since 1981 are given in Table TA.5. Rates of allowance between 1978 and 2000 are contained in the table appendix A5 of Inland Revenue Statistics 2000 and between 1965 and 1978 in the table appendix A.3 of Inland Revenue Statistics 1996

3. Tables 11.9 and 11.10 give estimates of the Capital Allowances due each year whether or not they were used against profits of the year shown. The totals differ from those in Tables 11.3 to 11.5, mainly because the latter are net of balancing charges

The next scheduled release is in August 2015, which will show Corporation Tax, Capital allowances due to 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel

www.surveymonkey.com/s/dbtsurvey1

Table 11.10

Corporation Tax

Capital allowances due 2008-09 to 2012-13[1], by type of asset and by industry

Amounts: £ millions

Industry	Plant and machinery and vehicles 2008-09 [2]	*of which 'AIA'*	2009-10	*of which 'AIA'*	2010-11	*of which 'AIA'*	2011-12	*of which 'AIA'*	2012-13	*of which 'AIA'*	Industrial buildings 2008-09	2009-10	2010-11	2011-12	2012-13 [3]
A. Agriculture, Forestry and Fishing	457	*100*	521	*183*	582	*259*	692	*356*	634	*261*	7	6	4	1	
B. Mining and Quarrying	4,411	*8*	5,249	*13*	4,311	*18*	6,870	*21*	8,892	*14*	19	14	8	2	
C. Manufacturing	8,442	*424*	8,711	*679*	9,382	*950*	9,629	*1,176*	9,026	*855*	577	400	223	50	
D. Electricity, Gas, Steam and Air Conditioning	3,242	*3*	4,069	*4*	4,240	*8*	4,558	*17*	5,020	*16*	73	50	31	5	
E. Water, Sewerage and Waste,	2,172	*31*	2,944	*52*	2,464	*77*	2,326	*100*	2,357	*72*	182	139	68	6	
F. Construction	3,556	*339*	3,693	*537*	3,130	*673*	3,390	*800*	2,994	*688*	215	101	50	2	
G. Wholesale and Retail Trade, Repairs	6,630	*479*	7,261	*831*	7,305	*1,113*	7,315	*1,289*	7,041	*1,036*	96	67	36	8	
H. Transport and Storage	2,762	*149*	3,101	*259*	2,881	*363*	4,096	*455*	3,598	*325*	500	374	219	35	
I. Accomodation and Food	1,499	*127*	1,677	*239*	1,720	*323*	1,786	*372*	1,683	*294*	204	162	93	19	
J. Information and Communication	5,666	*149*	5,709	*248*	5,904	*339*	6,027	*406*	5,624	*334*	13	9	4	1	
K. Financial and Insurance	7,334	*49*	8,019	*79*	7,619	*112*	7,132	*130*	5,590	*93*	49	24	8	1	
L. Real Estate	599	*40*	528	*69*	460	*95*	509	*118*	519	*108*	41	29	15	3	
M. Professional, Scientific and Technical	2,673	*242*	2,545	*393*	2,413	*519*	3,016	*630*	2,711	*548*	55	42	30	7	
N. Admin and Support Services: O. Public Admin, Defence and Social Servic	6,644	*230*	6,361	*397*	6,458	*537*	7,492	*658*	6,564	*506*	26	20	10	3	
P. Education	169	*25*	208	*53*	206	*69*	171	*70*	166	*62*	0	1	0	0	
Q. Health and Social Work	457	*66*	506	*118*	569	*167*	671	*195*	611	*164*	1	1	0	0	
R. Arts, Entertainment and Recreation	606	*59*	688	*104*	730	*140*	764	*165*	723	*132*	7	57	3	1	
S. Other services activities; T. Households; U. Overseas	691	*76*	665	*126*	645	*162*	809	*183*	629	*150*	7	4	2	1	
Unclassified	4,300	*46*	3,111	*65*	3,175	*66*	3,433	*60*	2,403	*32*	122	67	35	5	
All industries	62,311	*2,640*	65,565	*4,449*	64,195	*5,992*	70,687	*7,200*	66,783	*5,690*	2,195	1,566	841	150	5

Industry	Other assets 2008-09	2009-10	2010-11	2011-12	2012-13	All assets 2008-09	2009-10	2010-11	2011-12	2012-13
A. Agriculture, Forestry and Fishing	34	28	32	19	19	499	555	618	712	653
B. Mining and Quarrying	4071	4,945	4,957	5,635	5,719	8,502	10,208	9,277	12,506	14,612
C. Manufacturing	264	277	414	315	326	9,282	9,387	10,018	9,994	9,354
D. Electricity, Gas, Steam and Air Conditioning	29	73	133	201	131	3,344	4,192	4,404	4,764	5,152
E. Water, Sewerage and Waste,	71	90	87	101	219	2,425	3,173	2,619	2,433	2,575
F. Construction	20	53	100	36	42	3,791	3,846	3,280	3,428	3,036
G. Wholesale and Retail Trade, Repairs	136	187	374	310	402	6,863	7,515	7,716	7,633	7,444
H. Transport and Storage	81	81	94	553	245	3,344	3,557	3,195	4,684	3,843
I. Accomodation and Food	24	25	111	86	90	1,727	1,864	1,924	1,890	1,772
J. Information and Communication	808	730	715	722	767	6,486	6,448	6,623	6,750	6,391
K. Financial and Insurance	393	966	1,002	1,095	630	7,776	9,009	8,629	8,229	6,220
L. Real Estate	10	9	15	15	23	650	566	490	526	543
M. Professional, Scientific and Technical	909	542	747	692	943	3,637	3,129	3,190	3,716	3,654
N. Admin and Support Services: O. Public Admin, Defence and Social Servic	206	470	938	828	940	6,876	6,850	7,406	8,322	7,503
P. Education	2	1	5	3	3	171	210	212	174	169
Q. Health and Social Work	5	6	7	12	13	463	513	576	683	624
R. Arts, Entertainment and Recreation	12	9	12	9	12	625	754	744	774	735
S. Other services activities; T. Households; U. Overseas	18	27	29	23	18	716	696	676	832	647
Unclassified	417	487	758	540	569	4,840	3,665	3,968	3,978	2,972
All industries	7,510	9,004	10,531	11,192	11,109	72,016	76,136	75,567	82,029	77,897

Updated August 2014

[1] The figures relate to allowances due for accounting periods ending in the financial year 31 March.

[2] Annual Investment Allowance (AIA) qualifying expenditure incurred on or after 1st April 2008.
Companies in groups are entitled to only a single AIA claim between them in respect of qualifying expenditure.

[3] Figures for 2012-13 for industrial buildings are not shown at industrial sector level in order to protect taxpayer confidentiality.

(Tables 11.9 and 11.10)
Notes on the Tables
Capital Allowances due by industry

1. The analyses by industry use the UK Standard Industrial Classification 2007. Some categories have been amalgamated in order to protect taxpayer confidentiality.

2. The types of capital asset that qualify for relief and the rates of allowances since 1981 are given in Table A.5. Rates of allowance between 1978 and 2000 are contained in the table appendix A5 of Inland Revenue Statistics 2000 and between 1965 and 1978 in the table appendix A.3 of Inland Revenue Statistics 1996

3. Tables 11.9 and 11.10 give estimates of the Capital Allowances due each year whether or not they were used against profits of the year shown. The totals differ from those in Tables 11.3 to 11.5, mainly because the latter are net of balancing charges

The next scheduled release is in August 2015, which will show Corporation Tax, Capital allowances due, by industry, to 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Annex A: Data sources and Methodology

Data sources

Receipts

The data for Corporation Tax receipts and Bank Levy receipts (table 11.1A) comes from postings recorded on the HMRC COTAX administrative system for 100% of companies. These are downloaded every night into databases for analysis the following day.

Liabilities

The data for Corporation Tax liabilities (tables 11.1B – 11.10) comes from Corporation Tax assessments and returns as recorded on the HMRC COTAX administrative system.

For years shown in the tables prior to 2005-06, a stratified sample consisting of 100% of 'large' companies and 10% of 'small' companies' were extracted from COTAX on a monthly basis for analysis.

For the purposes of compiling the sample dataset, the definition of a 'large' company was based on a number of criteria including profits, losses, allowances and turnover. All companies served by the HMRC large Business Service (LBS) were included in the sample, as were all companies that were part of a Group Payment Arrangement (GPA). Taken together, these 'large' companies accounted for around 80% of the total Corporation Tax liability.

For years shown from 2005-06 onwards, data from 100% of companies is used. The available data for each company is as recorded on the Company Tax Return (CT600) form, including any modifications or additions made in subsequent assessments. The CT600 form contains a systematic record of the company's Corporation Tax calculations, starting with its income and chargeable gains and taking into account any relevant deductions and reliefs.

Checks carried out on the data include the following:

- COTAX detects calculation errors in the tax return and displays messages on the screen.
- Further automated checks take place when loading data into the analysis database. Inconsistencies are automatically 'repaired' if possible; otherwise the record is flagged as invalid.
- Analysts check that the number of records loaded into the analysis database is as expected.
- Reports are run showing the cases with the largest profits and losses. These are examined individually. Records deemed to be incorrect are adjusted in the analysis database.

- Any large changes in receipts or liabilities figures from one statistical release to the next are investigated.
- Total Corporation Tax receipts figures are checked for consistency with the latest HMRC financial outturn position.

A large company may trade at many different locations throughout the UK. However, its Corporation Tax return will be made on behalf of the whole company and linked to its registered office address. A geographical breakdown would show all the company's profits and tax liability as originating at the location of the registered office, which does not reflect the company's actual business activities. Therefore, Corporation Tax National Statistics are only produced at national level; no sub-national geographical breakdowns are provided. Experimental statistics showing sub-national breakdowns of tax receipts were published for the first time in 2013 and can be found at the following link: https://www.gov.uk/government/publications/disaggregation-of-hmrc-tax-receipts.

Because all of the necessary data for the Corporation Tax National Statistics is obtained from an administrative data source (COTAX), there is no additional burden on companies or HMRC tax inspectors to provide information.

Methodology

For companies where data is not available for a particular year, profits, deductions and tax liabilities are imputed by extrapolation from a recent year's data. Companies where no data has been received for any year ('inactive cases') are excluded prior to the imputation stage. Grossing is then applied to scale up the sample results to represent the entire population.

For the latest published year for those companies with net chargeable profits, the percentage of imputed cases is around two per cent.

Company Corporation Tax assessments are subject to revision and although the majority of assessments are finalised within two years, there are exceptional cases which can take much longer. There is, therefore, no specific point at which all the Corporation Tax liabilities for a particular year can be considered as 'final'.

Electronic filing has resulted in earlier availability of Corporation Tax data, which has allowed us to bring forward the publication of liabilities statistics by two months. An analysis of the date by which tax returns are received indicated that the impact of this change would be negligible.

The statistics are revised each year for the five years before the latest published year. Reasons for changes in liabilities include:

- revisions to the assessment, for example to carry back losses from later years, or because of an HMRC enquiry
- amendments to correct errors in the original assessment

- late submission of the company’s tax return, replacing the imputed figures in the previous release of the statistics

For the calculations necessary to show the profits breakdown by small profits rate, marginal small profits rate and main rate in table 11.3, an average effective tax rate is calculated for each company. This includes companies whose accounting period spans two financial years and/or whose accounting practices mean they can charge certain parts of their activity at the 20 per cent rate. This calculation is undertaken as part of the database production process by dividing the tax by the profits chargeable across the full company. This effective tax rate is used to classify companies by CT rate, resulting in some companies being counted as ‘small profits rate’ on average even if some parts of their activity would be taxed at the higher rate.

The total Corporation Tax liability typically decreases from the time of initial publication to the revision in the following year’s publication. Changes in recent years have been up to 2 per cent per year in either direction. These changes were observed in the statistics in recent years. It should not be assumed that the same pattern of changes would necessarily apply in future.

Potential sources of error

Possible sources of error in the published statistics include the following:

- Data capture errors: Companies may make errors entering their information onto the CT600 Company Tax Return form, whether this is done on paper or electronically. This data is subsequently entered onto the COTAX system either manually or by electronic transmission, which is another point at which data may be altered due to human or software error. There is a risk that errors involving very large profits or tax amounts may distort the overall statistics. To mitigate this, checks are carried out and any incorrect large values that are detected are altered in the analysis database before the statistics are produced.

- Other data quality errors: Companies are classified by industrial sector using the SIC 2007 standard and the Summary Trade Classification (STC) codes. The quality of the statistics is limited by the accuracy and consistency with which these codes have been assigned. To deal with known issues some adjustments and corrections are made before the statistics are produced.

- Imputation errors: When estimating tax liabilities for the latest available year, figures are not necessarily available for all companies. Missing cases are imputed, taking into account the figures from previous years. In a volatile economic climate, where companies’ results are fluctuating widely from year to year, such imputed figures may not always give an accurate estimate. Statistics that are more accurate will be available a year later, by which time almost all companies will have completed returns and assessments.

- Data processing errors: It is possible that errors exist in the programs used to analyse the data and produce the statistics. This risk is reduced through developing a good understanding of the complexities of Corporation Tax, and thoroughly reviewing and testing the programs that are used.

Annex B: Glossary

Accounting Period

The period used to determine the company's taxable profit for Corporation Tax; it normally matches the company's financial year.

Advance Corporation Tax (ACT)

Component of Corporation Tax levied on dividend payments and usually payable in the following quarter. ACT was abolished in 1999.

Capital Allowances

Capital allowances enable a company to deduct (write off) the cost of its capital assets - such as machinery, computers, equipment or vehicles - against its taxable profits for Corporation Tax. A portion of the cost is deducted each year over a specified period.

Chargeable Gains

Chargeable gains are the profits or gains made by a company when it sells or disposes of an asset, such as shares or property. Companies do not pay Capital Gains Tax; instead, the gains are treated as taxable profits for Corporation Tax purposes.

Company Tax Return

A company or organisation that is subject to Corporation Tax has to submit a Company Tax Return to HMRC for each accounting period. The Company Tax Return consists of a CT600 form with relevant supplementary pages, accounts and computations.

COTAX

COTAX is the HMRC administrative computer system for Company Taxation. It holds records of companies' tax returns and assessments, as well as Corporation Tax receipts.

CT Liabilities

The amount of Corporation Tax that companies have to pay to HMRC. Corporation Tax liabilities are considered to be accrued in the financial year of the end date of the company's accounting period.

CT Receipts

The amount of Corporation Tax collected by HMRC.

Main Rate

The rate of Corporation Tax paid by companies with profits above the lower profits limit. Companies with profits between the lower and upper profits limit are taxed at main rate but can usually claim Marginal Relief (see below).

Mainstream Corporation Tax (MCT)

Between 1973 and 1999, Mainstream Corporation Tax was the remaining amount of Corporation Tax payable, after the Advance Corporation Tax (ACT) amount had been set off.

Marginal Relief (previously known as Marginal Small Companies Relief)

This can be claimed by companies with taxable profits between the lower and upper profit limits, to enable a smooth transition between the small profits rate and the main rate of CT.

Quarterly Instalment Payments (QIPs)

Since 1999, large companies have been required to pay their Corporation Tax by quarterly instalments.

Set-offs

Set-offs are reductions to a company's Corporation Tax liability because the company has already suffered tax in another form, such as Advance Corporation Tax (ACT) or Income Tax. Another set-off is double taxation relief, which may apply if the company has paid tax abroad on part of its profits. Marginal Relief can also be considered as a set-off.

Small Companies' Rate (SCR)

The rate of Corporation Tax paid by companies with profits below the lower profits limit. Now known as Small Profits Rate (SPR) – see below.

Small Profits Rate (SPR)

Since April 2010, the lower rate of Corporation Tax has been called the Small Profits Rate (SPR) rather than Small Companies' Rate (SCR). This makes clear that it is the size of the profits, rather than the size of the company, which determines the tax rate to be applied.

Starting Rate

Between 2000-01 and 2005-06, a starting rate of Corporation Tax applied to companies with taxable profits less than £10,000. Companies with profits between £10,000 and £50,000 could claim marginal starting rate relief, which worked in a similar way to the Marginal Relief described above.

Summary Trade Classification (STC)

Summary Trade Classification (STC) codes are 2-digit codes used by HMRC to classify companies by their type of business activity. This classification is based on the Standard Industrial Classification SIC (92).

Trust Statement

The HMRC Trust Statement is a statutory account, which shows the revenue and expenditure related to the taxes and duties collected by HMRC. It is audited by the National Audit Office, and published and laid before Parliament annually.

Annex C: The 2013-14 Corporation Tax rate structure

Corporation Tax payable under marginal relief: calculated example.

Companies with profits up to £300,000 pay Corporation Tax at the small profits rate (20%). Most companies with profits greater than this but less than £1.5 million can claim marginal relief.

Marginal relief is calculated using the standard fraction, which for 2013-14 is 3/400.

Suppose that a company has taxable profits of £500,000 and there are no associated companies or franked investment income. The profits exceed the lower limit of £300,000 therefore Corporation Tax is due at the main rate:

Corporation Tax = 23% x £500,000 = £115,000.

However because the profits are less than the marginal relief upper limit of £1.5 million the company can claim marginal relief, which is calculated as follows:

Marginal relief = (Upper limit – Profits) x Standard Fraction
= (£1,500,000 - £500,000) x 3/400 = £7,500

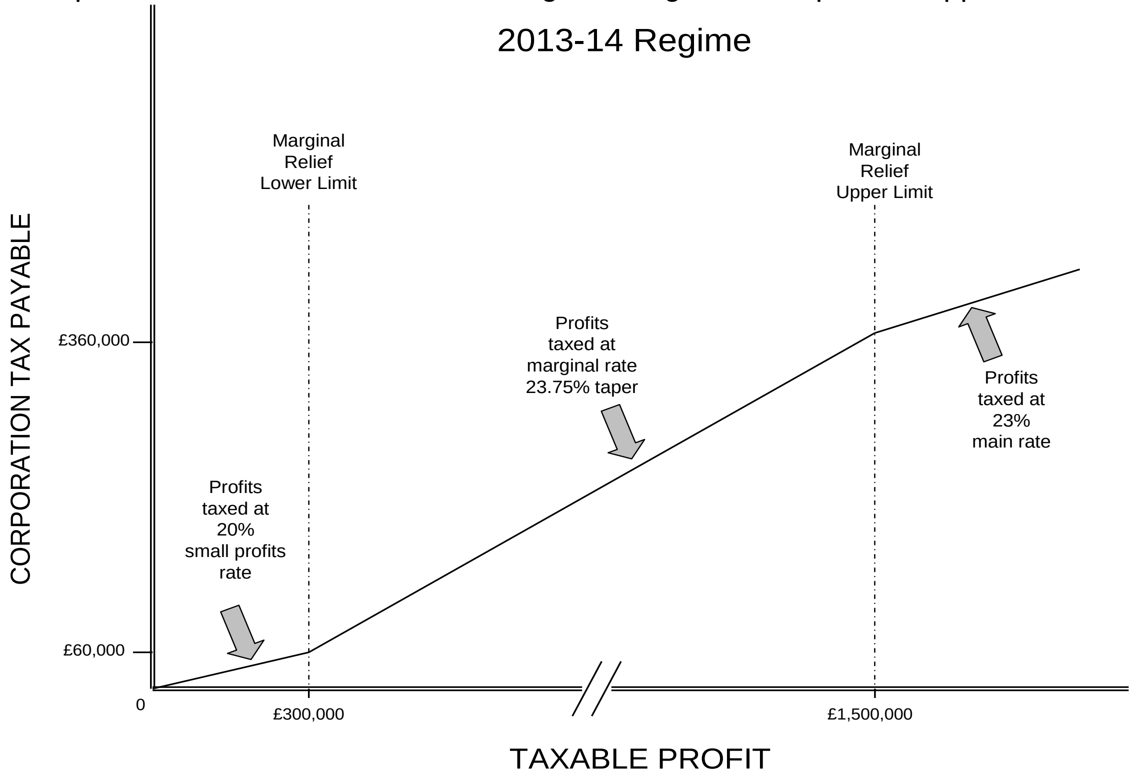
So, Corporation Tax payable = £115,000 – £7,500 = £107,500.

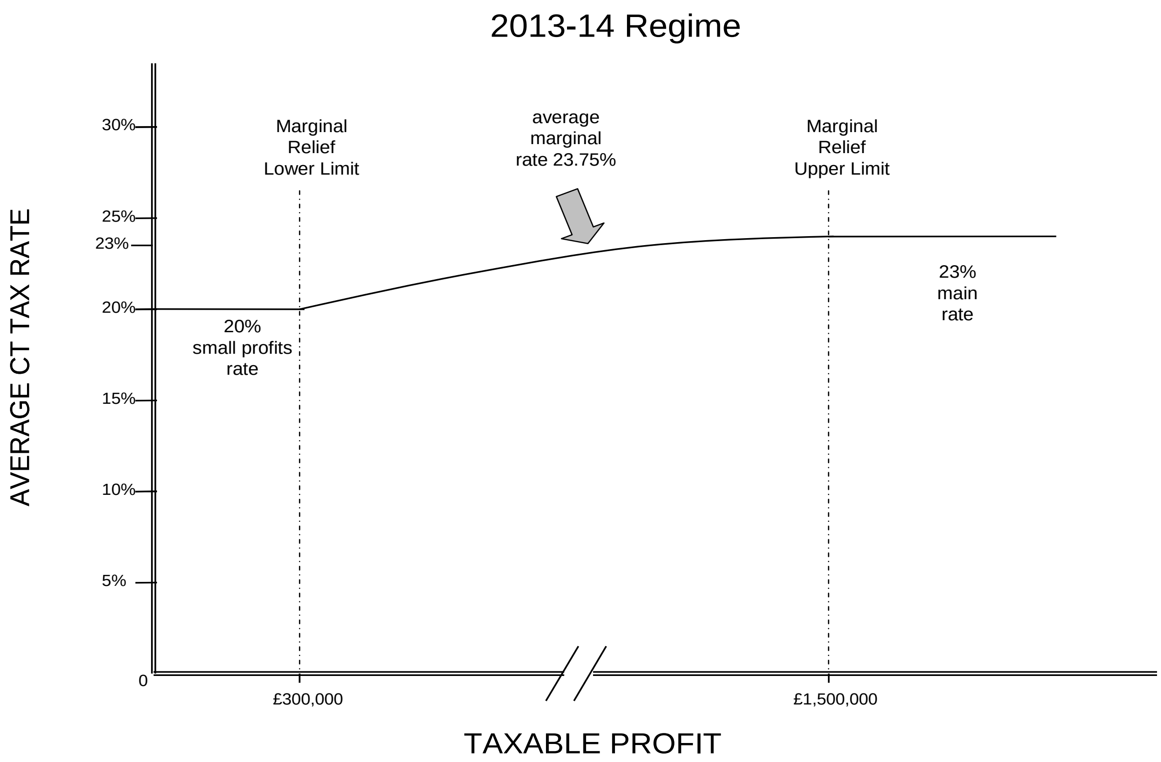
An alternative way to calculate this is to consider the first £300,000 to be taxable at the small profits rate (20%), and the remaining £200,000 to be taxable at the marginal rate of £23.75%.

Corporation Tax payable = (£300,000 x 20%) + (£200,000 x 23.75%)
= £60,000 + £47,500 = £107,500.

This is equivalent to paying at 20% on the first £300,000 and at 23.75% on the remainder, so that by £1.5 million they are paying at an average rate of 23% (the current main rate of Corporation Tax).

The diagrams show how current tax liabilities and rates change as company profits increase. Marginal relief is equivalent to being taxed at the small profits rate up to the lower limit and then at a higher marginal rate up to the upper limit.





Annex D: Corporation Tax Industrial Breakdown

For the first time in this release, industrial breakdowns based on the UK Standard Industrial Classification (SIC) 2007 standard are provided. In previous releases these tables have been shown with industrial sectors based on HMRC's Summary Trade Classification (STC) codes.

It has not been possible to implement the change to SIC 2007 for this release for tables 11.1A, 11.1B and 11.2, which contain amalgamated categories of broad industrial sectors for Corporation Tax receipts and liabilities; these continue to be based on the STC classification. Work to produce all industrial breakdowns based on the SIC 2007 standard is ongoing.

Key differences in breakdowns by STC and SIC 2007 classifications

STC codes are broadly based on the 1992 Standard Industrial Classification. Changes in the economy since that time, including rapid growth in the technology sector, mean that newer companies' activities are increasingly less likely to be well mapped in the STC codes. In addition the updating of STC codes has been discontinued within HMRC in an operational context. In these two ways STC codes have become decreasingly reliable for classifying companies' tax liabilities. The conversion to SIC 2007 brings CT statistics better into line with other HMRC statistics (which are increasingly moving to SIC 2007) and more widely other sources of statistics on industrial sectors.

STC codes were assigned by HMRC staff based on their knowledge of companies' activities. The SIC 2007 codes used in this release came from either the IDBR, which uses Companies House data as one source, or from Companies House data. Companies House SIC 2007 codes are determined and submitted by the companies themselves. This change in the process of assigning industrial codes will affect the level of variability and accuracy of the industrial codings. Companies carrying out the same trade may be assigned different or sometimes perhaps inaccurate SIC 2007 codes.

The relationship between STC and SIC 2007 is many to many, which makes comparisons between the two breakdowns complex. Table 2 provides an empirical comparison of STC categories alongside the two most commonly mapped SIC 2007 codes for companies that were trading in the financial year 2012-13. Only a single match is provided where the next most common match did not exceed 5 per cent. Some STC categories have a high percentage match with a comparable SIC 2007 category (e.g. Construction at 76 per cent). However, other STC categories do not have a clear match to a SIC 2007 classification. For example, the highest percentage match for 'Other services' was 'Health and Social Work' at only 21 per cent with no clear second best match.

Table 2. Best two SIC 2007 matches to STC categories, by number of companies, 2012-13

STC Category	Best SIC 2007 match (%)	Next best SIC 2007 match (%)
Agriculture, forestry and fishing	Agriculture, forestry and fishing (59%)	Wholesale and retail trade, repairs (6%)
Energy, water supply	Professional, scientific and technical (30%)	Mining and quarrying (11%)
Extraction, metal manufacturing, chemicals	Manufacturing (44%)	Wholesale and retail trade, repairs (22%)
Metal goods and engineering	Manufacturing (38%)	Wholesale and retail trade, repairs (18%)
Other manufacturing	Manufacturing (46%)	Wholesale and retail trade, repairs (17%)
Construction	Construction (76%)	Manufacturing (6%)
Distribution and repairs	Wholesale and retail trade, repairs (74%)	Manufacturing (6%)
Hotels and catering	Accommodation and food (75%)	
Transport and communication	Transport and storage (61%)	
Banking, finance and insurance	Financial and insurance (51%)	Professional, scientific and technical (12%)
Business services	Professional, scientific and technical (34%)	Information and communication (17%)
Other services	Health and social work (21%)	
Overseas activities	Information and Communication (47%)	Professional, scientific and technical (22%)
Unclassified	Professional, scientific and technical (22%)	Wholesale and retail trade, repairs (12%)

Versions of tables 11.5 and 11.7 (tables 11.5 STC and 11.7 STC) using the STC classification are included below to enable comparison with the relevant tables in this publication and also with previous releases.

The different versions of table 11.7 show that in 2012-13, 19.5 per cent of companies were not classified against the STC classification, representing 5.8 per cent of the tax liability. By contrast, only 2.3 per cent of companies were unclassified by SIC 2007 in that year, covering 4.9 per cent of the tax liability.

The figures in table 11.7 suggest that there was some delay between the SIC 2007 standard becoming available in 2007 and classification of companies with significant tax, since there is a downward trend in the amount of tax in 'Unclassified' companies (but not number).

The different versions of table 11.7 show that in 2008-09, there was a higher number of companies unclassified by STC than SIC 2007 (12.4 per cent compared to 7.1 per cent). However a higher amount by value was unclassified by SIC 2007 than STC (7.1 per cent and 2.7 per cent, respectively).

Table 11.5 STC

Corporation Tax

Computation of liability: financial year 2012-13[1]
Number, income, allowances, deductions and tax, by industry

Numbers: actual   Amounts: £ millions

Industry	Number of cases with trading profits and other income [2]	Gross trading profits [2]	Capital allowances [3]	Net trading profits	Other income & gains [3]	Deductions allowed	Total chargeable profits	ACT set-off [4]	Other reliefs set against tax [5]	Tax payable
Agriculture, forestry, fishing	15,901	2,081	660	1,539	320	324	1,534		4	349
Energy, water supply	4,415	41,466	21,679	26,251	4,222	10,550	19,924		1,617	6,112
Extraction, metal mfg,chemicals	9,290	10,226	2,396	8,353	3,124	5,519	5,958		619	831
Metal goods and engineering	41,594	16,212	4,249	13,151	2,526	6,924	8,752		76	2,007
Other manufacturing	34,221	16,735	3,454	13,910	3,648	8,064	9,495		144	2,149
Construction	101,003	12,017	2,363	10,172	1,523	3,550	8,145		130	1,728
Distribution and repairs	112,279	34,010	7,450	27,755	5,973	10,878	22,850		309	5,136
Hotels and catering	31,718	5,363	1,428	4,291	1,483	2,940	2,835		4	666
Transport and communication	31,108	21,662	8,680	13,812	2,403	9,705	6,511		66	1,484
Banking, finance and insurance	37,030	52,045	4,715	48,671	40,795	58,446	31,020		704	6,636
Business services	562,930	67,079	12,489	57,467	30,748	41,268	46,950		714	9,947
Other services	97,838	13,525	2,296	11,854	2,084	5,528	8,410		73	1,869
Overseas activities	482	77	13	66	218	220	65		0	15
Not classified	258,561	16,484	3,663	14,651	7,093	10,092	11,657		136	2,399
All industries	1,338,371	308,980	75,536	251,941	106,161	174,008	184,106	19	4,598	41,327

Updated August 2014

[1] These figures relate to earnings in accounting periods ending in the financial year shown.

[2] Single company may have a number of different sources of income so trading profit and other income will overlap in tables 11.3, 11.4 and 11.5.

[3] Capital allowances less balancing charges.

[4] Figures for ACT set-off are not shown at industrial sector level in order to protect tax payer confidentiality.

[5] Includes double taxation relief, marginal small companies rate relief, income tax set off and non-standard tax reduction.

[1] These figures relate to earnings in accounting periods ending in the financial year shown.

[2] Single company may have a number of different sources of income so trading profit and other income will overlap in tables 11.3, 11.4 and 11.5.

[3] Capital allowances less balancing charges.

[4] Figures for ACT set-off are not shown at industrial sector level in order to protect tax payer confidentiality.

[5] Includes double taxation relief, marginal small companies rate relief, income tax set off and non-standard tax reduction.

(Tables 11.3 to 11.5)
Notes on the tables
Computation of Corporation Tax liability

1. Tables 11.3, 11.4 and 11.5 are estimated from data collected from:
   i. Companies' own Corporation Tax self assessments where they have been agreed with HM Revenue & Customs
   ii. Returns where self assessments have not been agreed
   iii. Determinations of Corporation Tax made by HM Revenue & Customs in the absence of a self assessment or return
   iv. If no other information is available, statistical extrapolations from a recent year's Corporation Tax data, or failing that statistical grossing

2. The analyses by industry use the two digit Summary Trade Classification (STC) codes, which are used by HMRC to classify businesses.

3. The figures for Capital Allowances are the amounts which companies claim in the period less balancing charges. If Capital Allowances exceed the gross trading profit, leading to a loss for Corporation Tax, a zero is included in the net trading profits column rather than a negative figure. Losses brought forward are not deducted in arriving at net trading profits. They and losses of the current period, so far as they are allowed, are included in “Deductions allowed”

4. In Tables 11.4 and 11.5 the “number of cases” is the number of companies with positive income (gross trading income, other income or gains)

The next scheduled release is in August 2015, which will show Corporation Tax, computation of liability for 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1

Table 11.7 STC

Corporation Tax

Corporation tax payable after set-offs by year of liability

Classified by industry, financial years 2008-09 to 2012-13[1]

Numbers: actual; Amounts: £ millions

Industry	2008-09		2009-10		2010-11		2011-12		2012-13	
	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable
Agriculture, forestry, fishing	11,100	249	10,592	271	10,655	307	11,223	339	11,793	349
Energy and water supply	2,585	11,657	2,457	7,246	2,431	9,144	2,622	9,515	2,988	6,112
Extraction, metal mfg,chemicals	6,522	1,205	5,963	1,193	6,175	1,320	6,383	1,417	6,584	831
Metal goods and engineering	31,487	1,974	28,962	1,547	29,504	1,921	30,842	1,958	32,649	2,007
Other manufacturing	25,959	1,614	23,962	1,686	23,733	2,051	23,920	1,955	24,788	2,149
Construction	85,981	1,942	78,466	1,621	77,289	1,604	79,438	1,520	83,397	1,728
Distribution and repairs	88,081	4,686	84,024	5,164	83,047	5,579	83,219	5,078	86,501	5,136
Hotels and catering	22,350	506	21,117	532	20,468	595	20,990	648	22,156	666
Transport and communication	23,028	972	21,209	944	20,788	1,032	21,542	1,158	23,537	1,484
Banking, finance and insurance	23,101	6,507	21,555	7,698	21,820	7,560	21,984	6,485	23,348	6,636
Business services	389,668	8,418	375,025	7,521	387,651	8,724	417,433	9,094	455,606	9,947
Other services	65,602	1,345	62,975	1,388	65,078	1,672	70,229	1,874	76,335	1,869
Overseas activities	316	16	390	6	460	11	422	17	391	15
Not classified	109,889	1,144	130,623	1,348	154,164	1,743	172,116	2,011	206,536	2,399
Total [2]	885,669	42,233	867,319	38,164	903,263	43,265	962,364	43,069	1,056,610	41,327

Updated August 2014

[1] Figures correspond to company accounting periods ending in the financial years shown.

[2] Number of companies with Corporation Tax payable.

(Tables 11.6 to 11.8)

Notes on the tables
Corporation Tax payable

1. The analyses by industry use the two digit Summary Trade Classification (STC) codes, which are used by HMRC to classify businesses. The STC codes for grouping industry in the tables are shown in Annex D within “Corporation Tax Statistics”

2. The advent of instalment payments has made it necessary to alter the basis on which Tables 11.6 and 11.8 are prepared by changing them from the amounts of Corporation Tax paid in the year to the Corporation Tax payable according to the year in which the liability arose

3. Table 11.6 and 11.7 present an analysis of Corporation Tax payable arising from Corporation Tax liabilities in the financial years shown. The figures are consistent with similar figures shown in Tables 11.3, 11.4 and 11.5. Table 11.6 shows a distribution by size of Corporation Tax payable. Table 11.7 shows a distribution by industry

The next scheduled release is in August 2015, which will show Corporation Tax, payable after set-offs by year of liability for 2013-2014

Contact details for this publication:

Tim Hanison
Telephone: 03000 589 062
E-mail:
ct.statistics@hmrc.gsi.gov.uk

For more general enquiries please refer to the HMRC website:
www.hmrc.gov.uk

Improving Business Taxes National Statistics

In the pursuit of continuing to improve these National Statistics, the producers of them at HM Revenue and Customs would very much like to hear from you. If you are willing to provide your contact details in helping us understand further, who the users of these statistics are, please feel free to submit them via the following link:

www.surveymonkey.com/s/dbtsurvey1