Corporation Tax Statistics 2017

Coverage:
United Kingdom

Theme:
The Economy

Released:
24 August 2017

Next Release:
Autumn 2018

Frequency of release:
Each autumn

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

Statistical contacts:
Will Jones - Receipts
ct.statistics@hmrc.gsi.gov.uk

Claire Breeze - Liabilities
ct.statistics@hmrc.gsi.gov.uk

Knowledge Analysis & Intelligence :
Direct Business Taxes,
HM Revenue & Customs,
Room 2/45, 100 Parliament Street,
London SW1A 2BQ

Website:
https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics

Analyses of Corporation Tax receipts and liabilities, Bank Levy and Bank Surcharge

Around 7,000 large companies made up over half of the total CT liability payable in 2015-16

There were an extra 140,000 companies with some liability in 2015-16, mainly with liability under £50,000 in their tax year

The Professional, Scientific and Technical sector was the largest with around 302,000 companies

Claims for all Capital Allowances were up £2.5 billion (3 %) to £90.5 billion in 2015-16

CT Receipts 2016-17

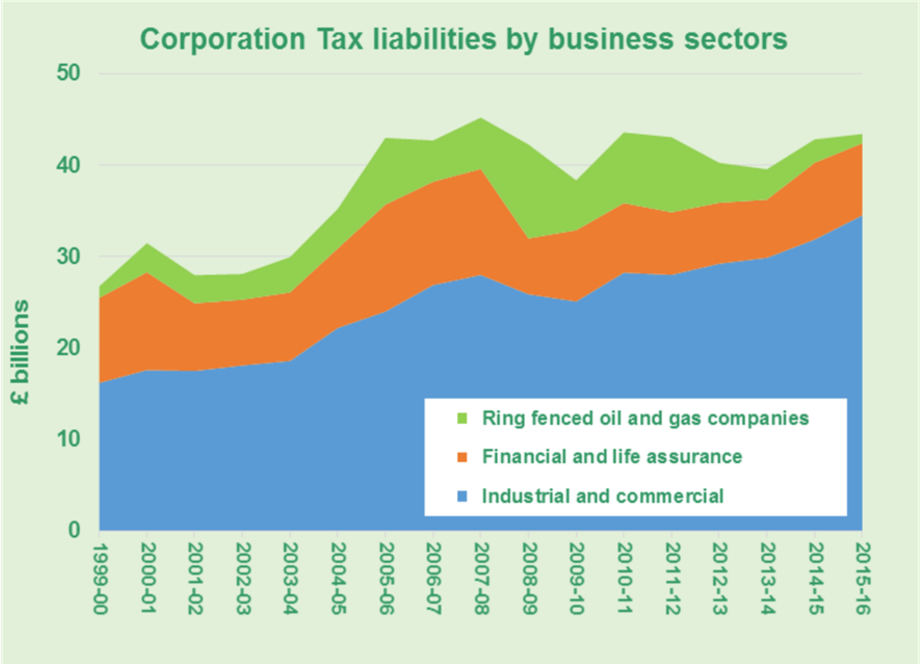
£49.5 billion

up 12% on 2015-16

CT Liabilities 2015-16

£43.4 billion

up 1% on 2014-15



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.

New and updated statistics in this release and planned improvements

This release includes the first published Corporation Tax, Bank Levy and Bank Surcharge receipts figures for the financial year ending 31 March 2017 and Corporation Tax liability estimates for company accounting periods ending in 2015-16. These tables are released and updated annually. For Corporation Tax liability estimates figures relating to financial years from 2010-11 to 2015-16 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.

The most recent data in tables 11.1B and 11.2, which contain broad breakdowns of amalgamated industrial sectors for Corporation Tax liabilities, have been based on Standard Industrial Classification (SIC) 2007 codes and a list of ring-fenced oil and gas companies.

The next scheduled release is in autumn 2018, which will show Corporation Tax, Bank Levy and Bank Surcharge receipts figures for 2017-18 and Corporation Tax liabilities for 2016-17.

For further details, please refer to the publication and release strategy on page 7 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 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 nine per cent of the total receipts collected by HMRC.

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 since 1971 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 for non-ring-fenced profits 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 is a unified rate of Corporation Tax of 20 per cent rather than separate main and small profits rates.

- On 1 April 2017 the unified rate was reduced to 19 per cent and will be reduced again on 1 April 2020 to 17 per cent.

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.

In 2014 all HMRC statistics moved to the GOV.UK website, see:
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.
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:

Please see the media and statistical contacts listed on the first page of this publication.

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, Bank Levy and Bank Surcharge receipts

Receipts are amounts of Corporation Tax, Bank Levy and Bank Surcharge collected by HMRC in a given financial year. These can relate to liabilities from the same financial year or from earlier years. The receipts do not include Diverted Profit Tax charging notices as this is a different head of duty. Additional Corporation Tax arising from behavioural change by businesses in response to the introduction of the Diverted Profit Tax will be included in these receipts. The headline statistics for Corporation Tax receipts are:

- Total net Corporation Tax receipts in 2016-17 were £49.5 billion. This is an increase of 12 per cent from £44.4 billion in 2015-16 (see Section 3, Table 11.1A), which sees Corporation Tax receipts at their highest ever level.

- The Industrial and Commercial sector has consistently contributed the highest proportion of Corporation Tax receipts among the sectors: on average accounting for 74 per cent of all Corporation Tax receipts since 2009-10.

- From 2008-09 to 2011-12, Offshore Corporation Tax paid by ring fence oil and gas companies (see Annex C glossary for a full definition) 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 figures for more recent years show a reversal in this trend, with the Financial Sector becoming the second largest contributor from 2012-13 onwards.

- This change reflects increases in receipts from the Financial, Life Assurance and Other industrial and commercial sector categories.

- Manufacturing sector receipts decreased by 6 per cent, from £4.6 billion in 2015-16 to £4.3 billion in 2016-17.

- Distribution sector receipts decreased by 2 per cent, from £5.3 billion in 2015-16 to £5.2 billion in 2016-17.

- Financial sector receipts increased by 23 per cent, from £7.1 billion in 2015-16 to £8.7 billion in 2016-17.

- Receipts from other industrial and commercial sector companies increased by 15 per cent, from £25.3 billion in 2015-16 to £29.1 billion in 2016-17.

- Life Assurance sector receipts increased by 37 per cent from £1.3 billion in 2015-16 to £1.8 billion in 2016-17.

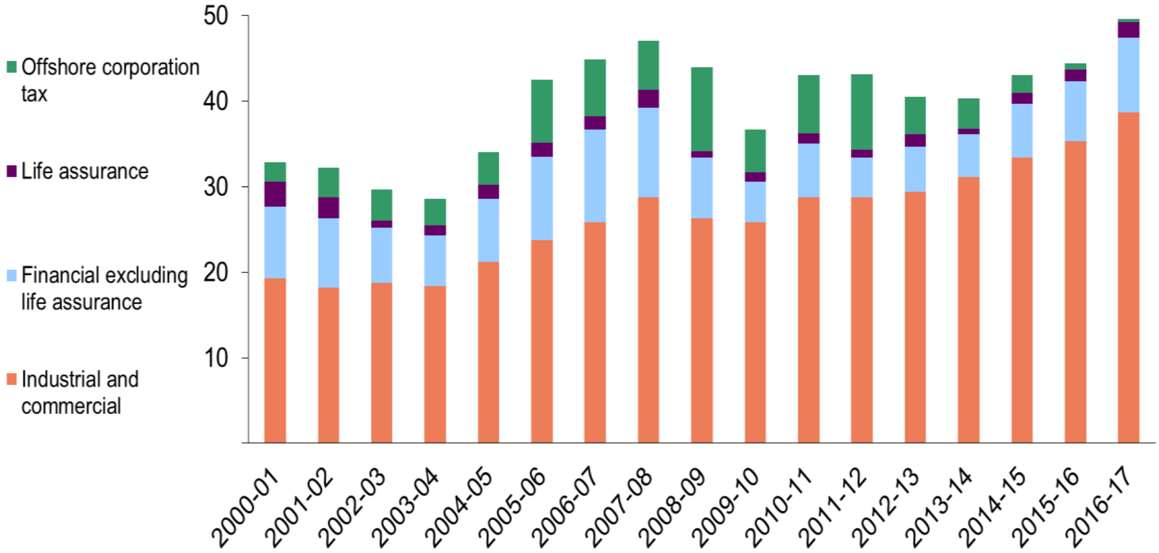
- Offshore Corporation Tax receipts, paid by ring fence oil and gas companies, reduced from £0.7 billion in 2015-16 to £0.3 billion in 2016-17.

- Bank Levy receipts have decreased from £3.4 billion in 2015-16 to £3.0 billion in 2016-17.

- Bank Surcharge is a new tax introduced from 1 January 2016. Receipts were £22 million in 2015-16. 2015-16 receipts were relatively low because most banks are not due to pay it until 2016-17. In 2016-17 Bank Surcharge receipts were £1.1 billion.

Figure 1 shows the changes in net Corporation Tax receipts in the period from 2000-01 to 2015-16. Corporation Tax receipts have increased from 2015-16 to 2016-17.

Figure 1. Corporation Tax net receipts by sector 2000-01 to 2016-17 (£billions).



Corporation Tax liabilities

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

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

- Total Corporation Tax liabilities for 2015-16 were £43.4 billion, compared to £42.8 billion in 2014-15, an increase of 1.4 per cent.(See table 11.1B)

- Corporation Tax liabilities from ring-fenced oil and gas companies decreased from £2.5 billion in 2014-15 to £1.0 billion in 2015-16, a drop of 60 per cent. This continuing decline is due to decreases in production, low oil prices combined with high operating costs, significant levels of investment and increasing amounts of decommissioning expenditure. (See table 11.1B)

- Onshore liabilities (i.e. from companies other than ring-fenced oil and gas companies) increased from £40.3 billion in 2014-15 to £42.4 billion in 2015-16, a 5 per cent increase. (See table 11.1B)

- The number of companies with trading profits in accounting periods ending in 2015-16 was up 9.3 per cent from the previous year to 1.52 million. The number with a tax liability in 2015-16 was up 11.2 per cent to 1.37 million. (See table 11.3)

- The distribution of companies' tax liabilities is highly skewed. In 2015-16, about 7,000 companies (under 1 per cent) had liabilities of £500,000 or more and between them contributed around 54 per cent of total Corporation Tax payable. (See table 11.6)

- Companies with liabilities of less than £10,000 comprised about 65 per cent of the total number of companies liable for corporation tax in 2015-16, but owed only around 7 per cent of the total Corporation Tax payable. (See table 11.6)

- In 2015-16 the largest sector in terms of the number of companies with a Corporation Tax liability was the Professional, Scientific and Technical sector with around 302,000 companies. This was followed by the Construction sector (173,000 companies) and the Wholesale and Retail Trade and Repairs sector and the Information and Communication sector (both around 152,000 companies). (See table 11.7)

- In 2015-16 the Financial and Insurance sector had around 35,000 companies (2.5 per cent of the total number of companies) but around £7.9 billion of the total liability (18.2 per cent). (See table 11.7)

- Claims for Capital Allowances on qualifying assets in 2015-16 were up £2.5 billion (3 per cent) on 2014-15 to £90.5 billion. (See table 11.10)

- By value 88 per cent of the Capital Allowances claims in 2015-16 were in respect of allowances on plant and machinery. These claims have increased by £4.1 billion (4 per cent) from 2014-15. (See table 11.10)

Figure 2 shows the changes in Corporation Tax liabilities in the period from 1999-00 to 2015-16.

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 few years are back around £40 billion per year. Between April 2007 and April 2015 the main rate of Corporation tax fell from 30 per cent to 20 per cent.

Industrial and commercial companies have the highest Corporation Tax liability, on average accounting for almost three quarters of total Corporation Tax liabilities in recent years.

Figure 2. Corporation Tax liabilities, by sector, 1999-00 to 2015-16 (£ billions)

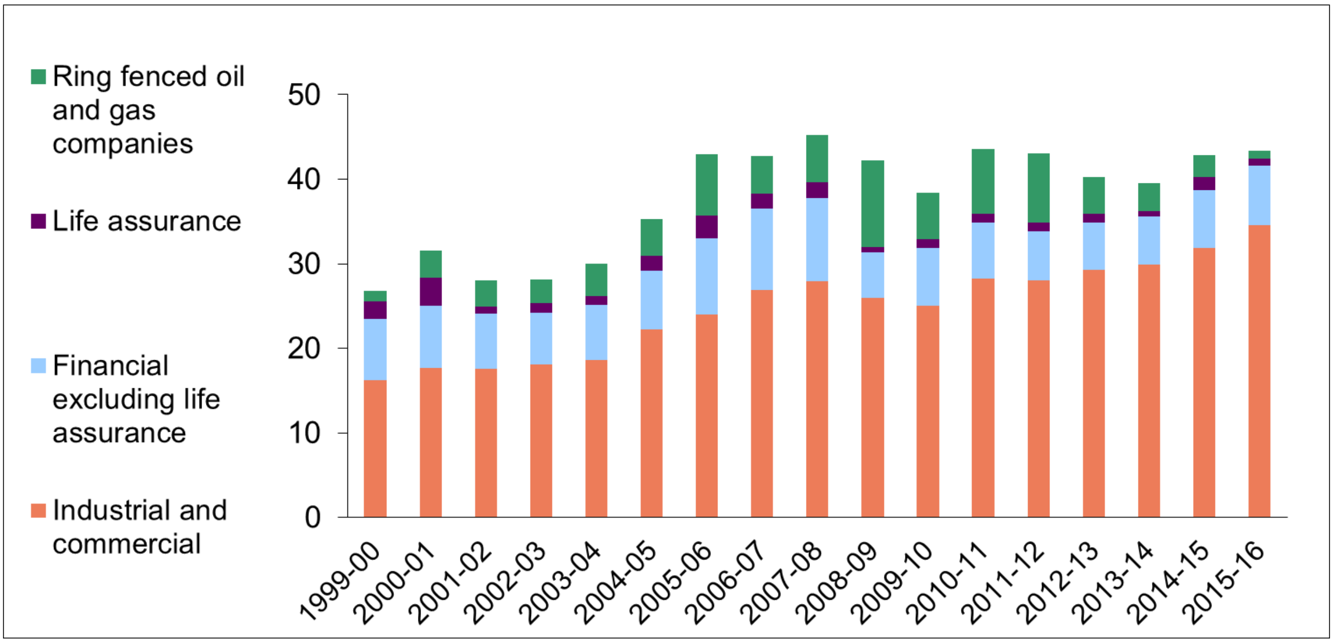
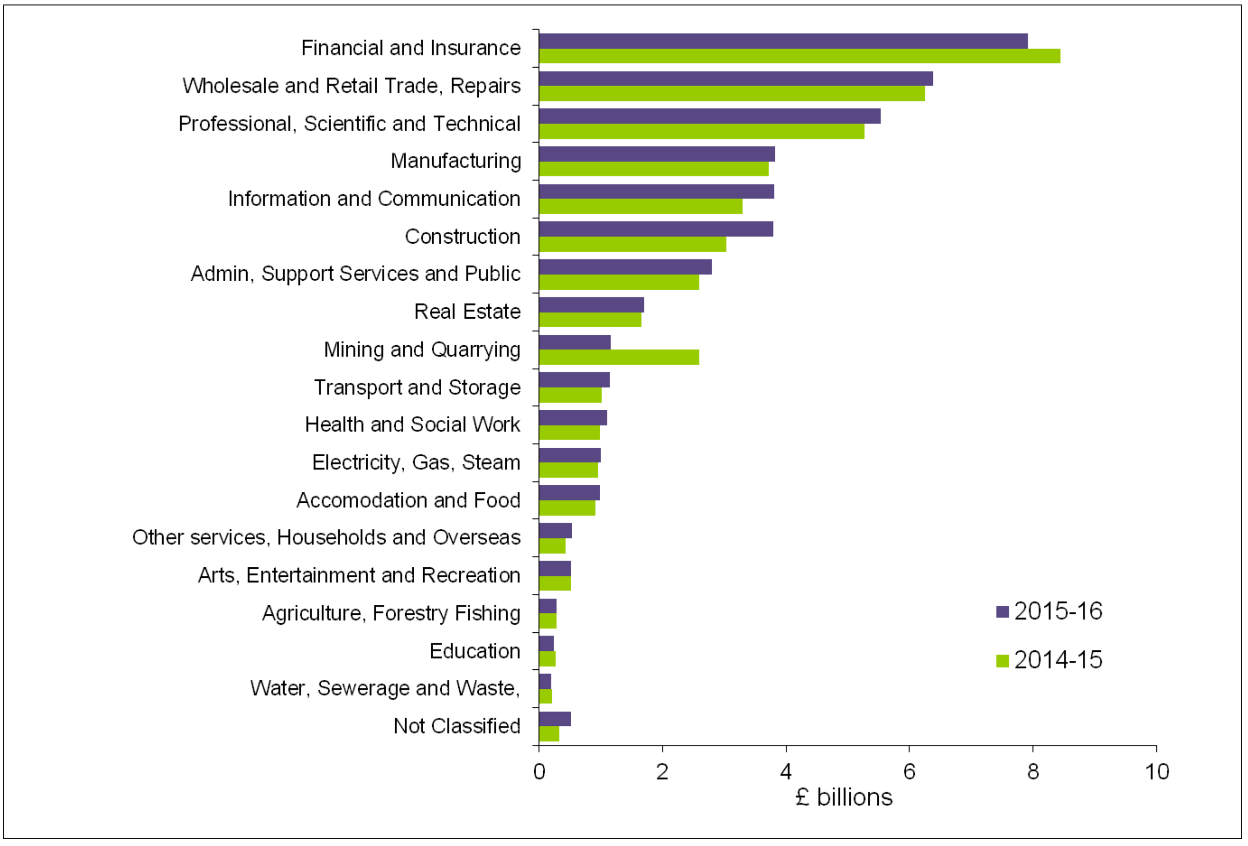


Figure 3 shows a breakdown of Corporation Tax liabilities by SIC 2007 industry sectors for 2014-15 and 2015-16.

In 2015-16, the Financial and Insurance sector was the largest with liabilities of £7.9 billion. In 2014-15 it was also the Financial and Insurance sector at £8.4 billion.

In 2015-16 there was once again a sizable drop in the Mining and Quarrying sector compared to the previous year, this is due to the drop in liabilities from oil and gas companies. This continuing decline is due to decreases in production, low oil prices combined with high operating costs, significant levels of investment and increasing amounts of decommissioning expenditure (see table 11.7).

Figure 3. Corporation Tax liabilities by industry, 2014-15, 2015-16 (£ 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 at the GOV.UK website:
https://www.gov.uk/search?q=budget&show_organisations_filter=true&filter_organisations%5B%5D=hm-treasury

SECTION 3: 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 has 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 by the autumn and an update to the sector split is published in the following spring.

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.

Tax Credits

The European System of National and Regional Accounts was updated with effect from September 2014 (ESA 2010, http://ec.europa.eu/eurostat/web/esa-2010). Under the previous system, tax credits were classified as offsets against receipts, but under the new system tax credits are to be shown separately as expenditure by HMRC. The change results in an increase in receipts (and liabilities) that is fully offset by an increase in expenditure by HMRC. The back series of Corporation Tax receipts has been amended to reflect the change in accounting. Total Corporation Tax receipts are higher by the value of reduced liability tax credits in each year from 2002-03 when compared to the previous version. The yearly figures can be found in a footnote in Table 11.1A.

Table 11.1A Corporation Tax, Bank Levy and Bank Surcharge net receipts, 1999-00 to 2016-17

This table depicts net receipts of Corporation Tax (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 because of the time taken before 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 was introduced from 1 January 2011 and the Bank Surcharge was introduced from 1 January 2016. Liabilities and receipts for these taxes are recorded on the HMRC COTAX system. All companies subject to the Bank Levy and Bank Surcharge 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 payments began to be received during 2011-12, and Bank Surcharge payments began to be received from January 2016.

The total Corporation Tax 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 Corporation Tax 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-fenced profits from oil and gas 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. Total Corporation Tax receipts in 2015-16 stood at £49.5 billion. This figure includes around £1 billion of tax credits, which were given as enhanced relief.

2. Total Corporation Tax receipts were around £43 billion in both 2010-11 and 2011-12. They then fell to around £40 billion in both 2012-13 and 2013-14 in particular due to a fall in receipts from offshore Corporation Tax paid by ring fence oil & gas sector companies. Since then they have increased significantly to around £43 billion in 2014-15, £44 billion in 2015-16 and £50 billion in 2016-17 due to rising receipts from industrial and commercial, financial and insurance sector companies.

3. Offshore Corporation Tax paid by ring-fenced oil and gas companies [1] fell by 49 per cent from £9.8 billion in 2008-09 to £5.0 billion in 2010-11 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 Offshore Corporation Tax supplementary charge was increased to 32 per cent from 20 per cent on 24 March 2011. Sharp declines in production and rising expenditure were the main contributory factors in Offshore Corporation Tax receipts falling by 50 per cent to £4.4 billion in 2012-13, then a further reduction of 19 per cent to £3.6 billion in 2014-15. These factors continued to cause Offshore Corporation Tax receipts to fall in 2015-16 along with falling oil prices. Corporation Tax receipts fell 43 per cent to £2.0 billion in 2014-15, and a further 65 per cent to £0.7 billion in 2015-16 due in particular to substantial reductions in oil and gas prices. In 2016-17 they declined again to around £300 million.

4. The 2015-16 to 2016-17 increase in overall Corporation Tax receipts includes a £3.8 billion increase in receipts from the Other Industrial and Commercial sector, a £1.6 billion increase in receipts from the Financial (excluding Life Assurance) sector and a £0.5 billion increase from the Life Assurance sector.

[1] Note that some ring-fence oil and gas companies also pay onshore CT.

5. Corporation Tax receipts from all of the onshore company industrial sectors combined increased from £43.7 billion in 2015-16 to £49.2 billion in 2016-17.

6. Bank Levy was introduced in January 2011 and the first payments were received in 2011-12. Receipts of the Bank Levy remained about the same in 2011-12 and 2012-13 at £1.6 billion and increased by 38 per cent to £2.2 billion in 2013-14. Receipts of Bank Levy increased in 2014-15 to £2.7 billion, and again in 2015-16 to £3.4 billion. This is mainly due to the increase in the rates of the Bank Levy. A reduction in the Bank Levy rates taking effect from January 2016 is the main reason why receipts in 2016-17 decreased by 12 per cent to £3.0 billion.

7. Bank Surcharge was introduced in January 2016. Only relatively low levels of receipts came in during 2015-16 as many banks were not due to start paying it until 2016-17. In 2016-17 Bank Surcharge receipts were around £1.1 billion.

Table 11.1A

Corporation Tax, Bank Levy and Bank Surcharge [8]

Corporation Tax, Bank Levy and Bank Surcharge net receipts 1999-00 to 2016-17

£ 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	2014-15	2015-16	2016-17
Onshore corporation tax - net receipts excluding Advance Corporation Tax (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	-58	22	-7
Quarterly Instalment Payments	11,989	26,316	24,765	21,111	19,910	23,019	26,394	28,169	29,032	21,875	19,650	24,274	21,868	24,164	23,165	25,537	29,520	34,089
All Other Payments	..	4,433	5,716	6,468	6,993	8,086	9,333	10,381	12,047	12,305	11,828	11,878	12,478	12,057	13,697	15,501	14,133	15,114
Total	31,437	30,541	28,715	26,005	25,473	30,233	35,132	38,170	41,309	34,109	31,634	36,176	34,290	36,070	36,771	40,980	43,675	49,196
By industrial sector[1]:																		
Manufacturing	..	5,529	5,077	4,256	3,720	4,717	4,895	4,656	4,507	3,871	4,672	5,596	4,717	5,135	4,758	4,596	4,630	4,348
Distribution	..	3,942	3,976	4,499	4,628	4,544	4,344	5,175	5,794	5,131	5,145	5,946	5,472	5,599	5,810	5,006	5,318	5,210
Other industrial and commercial[2]	..	9,769	9,146	9,991	10,005	11,912	14,517	15,979	18,418	17,256	16,044	17,200	18,565	18,643	20,579	23,749	25,325	29,134
Financial excluding life assurance	..	8,445	8,094	6,464	5,933	7,394	9,688	10,895	10,460	7,132	4,687	6,318	4,587	5,297	4,924	6,312	7,053	8,657
Life assurance	..	2,856	2,422	796	1,187	1,665	1,687	1,466	2,131	718	1,086	1,117	948	1,397	700	1,316	1,348	1,847
Total	31,437	30,541	28,715	26,005	25,473	30,233	35,132	38,170	41,309	34,109	31,634	36,176	34,290	36,070	36,771	40,980	43,675	49,196
Offshore corporation tax - net receipts excluding ACT paid by ring fenced companies exploring for and producing oil and gas																		
Mainstream corporation tax	578	-65	92	-5	-69	-60	-53	-39	4	-16	-10	35	-5	0	0	-2	-10	0
Quarterly instalments and balancing payments[3]	570	2,394	3,423	3,667	3,126	3,891	7,360	6,748	5,724	9,842	5,008	6,829	8,845	4,412	3,556	2,028	723	338
Total	1,148	2,329	3,515	3,662	3,057	3,831	7,307	6,709	5,728	9,826	4,998	6,864	8,840	4,412	3,556	2,026	713	338
Advance corporation tax - net receipts[4]	1,737	-449	-189	-179	-71	-33	-84	-4	-1	-8	-4	..	..	..	..	..	..	..
Total net receipts of corporation tax[5 8]	34,322	32,421	32,041	29,488	28,459	34,031	42,355	44,875	47,036	43,927	36,628	43,040	43,130	40,482	40,327	43,005	44,388	49,534
Bank Levy[6]	..	..	..	..	..	..	..	..	..	..	..	..	1,612	1,595	2,200	2,748	3,392	2,975
Bank Surcharge[7]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	22	1,145

Updated August 2017

[1] 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

[2] Including overseas companies.

[3] 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, £2,496 million in 2012-13, £1,891 million in 2013-14, £1,056 million in 2014-15, £196 million in 2015-16 and £52 million in 2016-17.

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

[5] The figures for 2002-03 and subsequent years are gross 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, £1,000 million in 2011-12, £1,050 million in 2012-13, £950 million in 2013-14, £1,050 million in 2014-15, £1,000 million in 2015-16 and £1,000 million in 2016-17.

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

[7] Bank Surcharge is a new tax introduced from 1 January 2016. Payments began to be received from January 2016 onw ards.

[8] The Corporation Tax receipts do not include Diverted Profit Tax charging notices as this is a different head of duty. Additional Corporation Tax arising from behavioural change by businesses in response to the introduction of the Diverted Profit Tax w ill be included in these receipts.

The next scheduled release is in autumn 2018, which will show Corporation Tax, Bank Levy and Bank Surcharge receipts to 2017-18.

SECTION 4: Corporation Tax liabilities

Tables in this section

11.1B Corporation Tax liabilities 1999-00 to 2015-16.

11.2 Income, allowances, deductions and tax liabilities by company sector, 2010-11 to 2015-16.

11.3 Corporate income, allowances and tax liabilities, 2010-11 to 2015-16.

11.4 Computation of Corporation Tax liability by industry for 2014-15.

11.5 Computation of Corporation Tax liability by industry for 2015-16.

11.6 Corporation Tax payable by size of liabilities, 2010-11 to 2015-16.

11.7 Corporation Tax payable by sector, 2010-11 to 2015-16.

11.8 Comparison of Corporation Tax liabilities between 2014-15 and 2015-16.

11.9 Capital allowances, summary 1973-74 to 2015-16.

11.10 Capital allowances due by industry, 2010-11 to 2015-16.

Background

The tables are released and updated annually. They concern where and how Corporation Tax liabilities have arisen rather than how and when Corporation Tax 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 per cent of 'large' companies and 10 per cent 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 per cent 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 2015-16.

Industry breakdown

Tables 11.4, 11.5, 11.7 and 11.10 include breakdowns by industrial sectors, e.g. ‘Agriculture, Forestry and Fishing’. The classification is based on the UK Standard Industrial Classification (SIC) 2007. 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 some previous releases these tables have been shown with industrial sectors based on HMRC’s Summary Trade Classification (STC) codes, which were assigned by HMRC staff based on information supplied by taxpayers. STC codes were based on the Standard Industrial Classification (SIC) from 1992.

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

Tax Credits

Please see the note on Tax Credits at the start of section 3 (page 15).

All figures updated in the table for liabilities from 2010-11 have been calculated to reflect the change in accounting system.

Table 11.1B Corporation Tax liabilities, 1999-00 to 2015-16

Table 11.1B provides estimates of Corporation Tax 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 ring-fenced oil and gas companies.

Figures for the breakdown of broad business categories for financial years from 2008-09 onwards are based on Standard Industrial Classification (SIC) 2007 codes. For financial years through to 2007-08, the broad business categories are based on HMRC's Summary Trade Classification (STC) codes.

From 2004-05 the liabilities for ring-fenced oil and gas companies shown in table 11.1B onwards are calculated using an improved methodology in line with other tables in this release. The ring-fenced oil and gas companies' 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 2015-16 were £43.4 billion, compared to £42.8 billion in 2014-15, an increase of 1.4 per cent.

2. Corporation Tax liabilities from ring-fenced oil and gas companies decreased from £2.5 billion in 2014-15 to £1.0 billion in 2015-16, a drop of 60 per cent. This continuing decline is due to decreases in production, low oil prices combined with high operating costs, significant levels of investment and increasing amounts of decommissioning expenditure.

3. Despite a decrease in the main rate of Corporation Tax from 21 per cent to 20 per cent in April 2015, onshore liabilities (i.e. from companies other than ring-fenced oil and gas companies) increased from £40.3 billion in 2014-15 to £42.4 billion in 2015-16, a 5 per cent increase.

4. In 2015-16, compared to 2014-15, for industrial and commercial companies liabilities increased by 8 per cent, for financial companies excluding life assurance liabilities increased by 4 per cent and for more volatile life assurance companies sector liabilities decreased by 50 per cent.

Table 11.1B

Corporation Tax

Corporation tax liabilities 1999-00 to 2015-16 [a]

Amounts: £ million

Corporation tax liabilities After ACT set off [b]	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 [d]	2006-07	2007-08	2008-09	2009-10	2010-11 [e]	2011-12	2012-13	2013-14	2014-15	2015-16
Onshore companies																	
Industrial and commercial [c]	16,249	17,630	17,545	18,142	18,648	22,226	24,010	26,920	27,970	25,920	25,072	28,247	28,014	29,236	29,884	31,875	34,530
Financial excluding life assurance	7,205	7,436	6,518	6,014	6,465	6,988	8,990	9,603	9,801	5,477	6,843	6,631	5,689	5,600	5,684	6,791	7,067
Life assurance	2,131	3,312	869	1,211	1,077	1,741	2,705	1,726	1,844	598	993	991	1,022	1,058	675	1,617	813
Total	25,585	28,378	24,932	25,367	26,190	30,955	35,705	38,249	39,615	31,995	32,908	35,869	34,725	35,894	36,243	40,283	42,410
Ring fenced oil and gas companies	1,258	3,180	3,080	2,810	3,860	4,332	7,295	4,518	5,623	10,270	5,455	7,727	8,201	4,376	3,320	2,549	1,009
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	42,265	38,363	43,596	42,926	40,270	39,563	42,832	43,419

Updated August 2017

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

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

[c] Including overseas and companies not classified elsewhere.

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

[e] From 2010-11 the figures have been revised using latest available HMRC data.

The next scheduled release is in Autumn 2018, which will show Corporation Tax liabilities to 2016-17

Table 11.2: Income, allowances, deductions and tax liabilities by company sector, 2010-11 to 2015-16

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. Additionally this year we have included a section with figures for ring-fenced oil and gas companies.

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 (https://www.gov.uk/government/statistics/corporate-tax-rates-of-capital-allowance) 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. 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 very 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 £6.2 billion between 2010-11 (£28.2 billion) and 2015-16 (£34.5 billion) for industrial and commercial companies (excluding overseas and ring-fenced oil and gas companies).

2. Financial companies (excluding life assurance) saw a small increase of £0.4 billion over the same period (from £6.6 billion in 2010-11 to £7.1 billion in 2015-16).

3. In 2015-16 financial companies saw a 7 per cent decrease in gross taxable trading profits from 2014-15 (down £5 billion to £63.4 billion). However, mainly due to a drop in trading losses, profits chargeable to corporation tax were up £2.4 billion to £39.6 billion.

4. Between 2014-15 and 2015-16 gross profits from oil and gas companies fell 30 percent from £15.4 billion to £10.9 billion. There was a 20 per cent reduction in the amount of capital allowance used from £6.5 billion to £5.2 billion over this period. Profits chargeable to Corporation Tax were £4.0 billion in 2015-16, a fall of 48 per cent compared to the 2014-15 amount.

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 broad company sector, 2010-11 to 2015-16 [a]

Amounts: £ million

Industrial and commercial companies excluding overseas and ring fenced oil and gas companies [b]

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Gross taxable trading profits	211,655	219,052	231,211	248,505	274,240	295,064
Capital allowances (less balancing charges) offset against trading profits	44,316	45,532	43,928	52,795	62,253	67,729
Trading losses from previous years offset against this year's trading profits	12,092	12,514	13,585	14,093	15,600	16,702
Other taxable income and net capital gains	58,616	57,893	58,307	59,169	63,754	68,432
Trading losses offset against other income	7,463	7,065	7,057	8,580	7,972	6,737
Charges paid and offset against profits	1,414	1,587	1,627	2,065	2,184	2,443
Group relief received	67,337	66,973	67,391	67,874	72,411	75,539
Other deductions	18,027	17,538	18,625	19,074	19,055	18,998
Profits chargeable to corporation tax	119,622	125,736	137,305	143,193	158,519	175,348
Charge to corporation tax	31,098	31,117	31,919	31,924	33,451	35,442
Marginal Small Companies Relief	378	378	310	242	135	31
Advance corporation tax set off	15	10	16	11	94	21
Double taxation relief	2,180	2,622	2,429	1,886	1,603	1,196
Income tax set off and other non-standard reductions	277	93	-72	-94	-256	-336
Corporation tax liabilities (after ACT set off)	28,247	28,014	29,236	29,884	31,875	34,529

Financial companies excluding life assurance

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Gross taxable trading profits	68,580	66,578	53,992	55,482	68,393	63,379
Capital allowances (less balancing charges) offset against trading profits	6,305	5,879	3,978	3,597	5,484	5,825
Trading losses from previous years offset against this year's trading profits	15,328	15,552	8,177	7,450	15,446	7,354
Other taxable income and net capital gains	32,940	32,010	29,882	28,112	28,706	27,615
Trading losses offset against other income	1,412	1,825	1,066	913	986	775
Charges paid and offset against profits	181	227	143	210	207	244
Group relief received	36,512	35,895	33,061	30,421	27,221	26,709
Other deductions	9,776	8,887	9,749	9,199	10,502	10,495
Profits chargeable to corporation tax	32,006	30,323	27,700	31,804	37,253	39,592
Charge to corporation tax	8,808	7,920	6,702	7,331	7,982	8,016
Marginal Small Companies Relief	16	16	13	10	5	1
Advance corporation tax set off	2	0	4	0	0	0
Double taxation relief	2,036	2,102	1,020	1,678	1,200	965
Income tax set off and other non-standard reductions	123	116	164	-33	0	-15
Corporation tax liabilities (after ACT set off)	6,631	5,689	5,600	5,684	6,791	7,067

Ring fenced oil and gas companies [c]

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Gross taxable trading profits	25,465	27,165	21,471	20,151	15,440	10,884
Capital allowances (less balancing charges) offset against trading profits	6,209	8,790	8,983	9,137	6,455	5,174
Trading losses from previous years offset against this year's trading profits	773	514	371	430	585	576
Other taxable income and net capital gains	441	461	982	854	582	545
Trading losses offset against other income	257	894	1,019	890	345	268
Charges paid and offset against profits	73	43	61	14	2	2
Group relief received	809	744	1,427	1,186	932	1,387
Other deductions	28	31	78	121	52	43
Profits chargeable to corporation tax	17,757	16,610	10,514	9,227	7,651	3,979
Charge to corporation tax	8,349	8,900	5,251	4,214	3,297	1,355
Marginal Small Companies Relief	0	0	0	0	0	0
Advance corporation tax set off	0	0	0	0	0	0
Double taxation relief	621	699	875	894	749	346
Income tax set off and other non-standard reductions	0	0	0	0	0	0
Corporation tax liabilities (after ACT set off)	7,727	8,201	4,376	3,320	2,549	1,009

Updated August 2017

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

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

[c] Companies subject to Ring Fence Corporation Tax (RFCT). For more info see:
https://www.gov.uk/government/statistics/government-revenues-from-uk-oil-and-gas-production--2

The next scheduled release is in autumn 2018, which will show Corporation Tax: income, allowances, deductions and tax liabilities

Table 11.3 Corporate income, allowances and tax liabilities, 2010-11 to 2015-16

This table provides a summary of corporate income and Corporation Tax liabilities from 2010-11 to 2015-16.

Key points:

1. The number of companies with trading profits in accounting periods ending in 2015-16 was up 9.3 per cent from the previous year to 1.52 million. The number with a tax liability in 2015-16 was up 11.2 per cent to 1.37 million.

2. In 2015-16, 1.37 million profit-making companies had total chargeable profits of £224 billion, an increase in profits of 5.5 per cent on the previous year. Gross trading profits (before capital allowances) increased by 3.5 per cent and capital allowances increased by 4.0 per cent on the previous year.

3. From the overall £43.4 billion Corporation Tax liability in 2015-16, about 7,800 of the typically very largest companies claimed £2.5 billion in 'Double tax relief' in respect of tax paid abroad on income repatriated to the UK (comprising mainly dividends).

4. An estimated 134 companies claimed deductions of Advance Corporation Tax (ACT) totalling £21 million in 2015-16. 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 have carried forward.

Table 11.3

Corporation Tax

Number of companies, income, allowances, tax liabilities and deductions

Financial years 2010-11 to 2015-16 [a]

Numbers: actual ; Amounts: £ millions

	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16 [i]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Gross taxable trading profit [b]	1,009,640	308,437	1,084,070	315,654	1,159,805	309,373	1,259,504	332,247	1,386,764	365,720	1,515,709	378,602
Capital allowances [c]	875,618	73,638	891,918	80,097	911,454	75,524	935,712	87,804	965,204	101,052	976,741	105,044
Net trading profits [d, b]	953,804	251,729	1,021,968	255,527	1,098,618	252,559	1,187,959	266,682	1,303,452	291,573	1,433,038	299,865
Other income & gains	530,227	108,967	533,349	107,486	549,919	103,932	569,449	95,922	605,234	107,904	647,147	105,771
Deductions allowed	413,699	185,937	427,414	184,439	441,017	175,184	456,860	174,972	478,174	187,220	478,062	181,734
Total chargeable profits	907,851	174,770	965,302	178,531	1,037,551	181,320	1,121,786	187,644	1,235,572	212,271	1,374,134	223,912
Rates at which profits charged [e]												
Main rate	39,667	120,484	40,835	119,334	43,361	117,483	44,968	122,527	52,732	134,670	1,329,934	207,104
Marginal small profits rate [f]	40,270	13,580	43,640	14,880	48,206	16,822	52,024	18,275	57,528	20,833	44,200	16,807
Small profits rate [f]	827,913	40,704	880,827	44,318	945,985	47,015	1,024,795	46,842	1,125,312	56,767	0	0
Total tax charge [g]	907,850	49,448	965,302	49,188	1,037,551	45,102	1,121,786	44,233	1,235,572	46,559	1,374,135	45,817
Double tax relief	6,809	4,885	7,044	5,458	7,263	4,353	7,410	4,493	7,670	3,572	7,831	2,533
Act set-off	209	17	189	10	184	20	139	11	109	94	134	21
Income tax set-off	15,760	362	13,298	288	13,291	295	12,589	111	11,916	265	11,233	249
Other reliefs [h]	41,525	587	44,615	509	48,946	262	52,293	67	56,737	-191	42,978	-404
Corporation tax payable	901,394	43,597	958,779	42,927	1,030,748	40,270	1,115,416	39,563	1,229,502	42,833	1,369,397	43,419

Updated August 2017

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

[b] 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.

[c] Capital allowances less balancing charges.

[d] 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.

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

Rates at which profits charged Main rate, Marginal small profits rate and Small profits rate have been amended following discovery of an error since this release was first published on 24th August 2017

The error led to more tax being shown as charged at the small profits rate whereas it should have been shown as taxable at the main rate, this affected 2011-12 onwards. Previous publications are unaffected.

[f] 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.

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

[h] 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.

[i] 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 autumn 2018, which will show Corporation Tax, number, income, allowances, tax liabilities and deductions for 2016-17

Contact details for this publication:
E-mail:
ct.statistics@hmrc.gsi.gov.uk

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

Tables 11.4 and 11.5 Computation of Corporation Tax liability by industry for 2014-15 and for 2015-16

These tables provide a breakdown of Corporation Tax liabilities for 2014-15 and 2015-16 by industrial sector for companies with trading profits or other income.

Key points for table 11.4 (2014-15):

1. For 2014-15 the largest sector by number of companies was Professional, Scientific and Technical with around 330 thousand (or 21 per cent) of a total 1.6 million companies with trading profits or other income.

2. The largest sector by tax payable in 2014-15 was Financial and Insurance with £8.4 billion (or 20 per cent) of the total tax payable of £42.8 billion.

3. In 2014-15 the Financial and Insurance sector had the largest net trading profits at £73.3 billion (or 25 per cent) of the total of £292 billion net trading profits for all companies.

Key points for table 11.5 (2015-16):

1. In 2015-16 the largest sector by number of companies was Professional, Scientific and Technical with around 347 thousand (or 20 per cent) of the 1.7 million companies with trading profits or other income.

2. The largest sector for tax payable in 2015-16 was Financial and Insurance with £7.9 billion (or 18 per cent) of the total tax payable of £43.4 billion.

3. The Financial and Insurance sector had the largest net trading profits in 2015-16 at £68.5 billion (or 23 per cent) of the total of £300 billion net trading profits for all companies.

4. Overall net trading profits in 2015-16 were up 3 per cent from 2014-15 to £300 billion. However there were shifts of liabilities within sectors between 2014-15 and 2015-16. The Construction sector's net trading profit was up 24 per cent to £21.0 billion but the Mining and Quarrying sector was down 35 per cent to £6.0 billion.

5. At £14.7 billion the Manufacturing sector had the largest capital allowances in 2015-16.

Table 11.4

Corporation Tax: financial year 2014-15 [a]

Computation of liability.

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

Numbers: actual. Amounts: £ millions

Industry	Number of companies with trading profits and other income [b]	Gross trading profits [b]	Capital allowances [c]	Net trading profits	Other income & gains [c]	Deductions allowed	Total chargeable profits	ACT set-off [d]	Other reliefs set against tax [e]	Tax payable
A. Agriculture, Forestry and Fishing	17,279	2,734	1,696	1,362	390	381	1,371		0	288
B. Mining and Quarrying	1,748	15,344	16,032	9,297	861	3,224	6,934		479	2,593
C. Manufacturing	89,823	41,056	14,319	29,744	7,646	19,617	17,773		77	3,718
D. Electricity, Gas, Steam and Air Conditioning	3,019	13,929	7,277	8,948	1,675	6,078	4,545		24	960
E. Water, Sewerage and Waste,	5,099	5,100	3,045	2,298	970	2,252	1,016		1	216
F. Construction	191,497	20,384	3,996	16,975	6,171	8,663	14,485		0	3,040
G. Wholesale and Retail Trade, Repairs	191,722	47,344	11,532	38,134	5,029	13,437	29,728		59	6,257
H. Transport and Storage	42,267	14,257	6,606	8,570	1,617	4,981	5,208		12	1,017
I. Accomodation and Food	56,697	8,340	3,156	5,972	2,134	3,779	4,327		-2	921
J. Information and Communication	163,580	29,926	8,002	23,395	4,757	11,936	16,218		100	3,299
K. Financial and Insurance	47,108	79,018	7,310	73,297	43,568	68,087	48,778		1,984	8,441
L. Real Estate	87,241	6,410	898	5,757	9,689	7,496	7,951		20	1,659
M. Professional, Scientific and Technical	329,987	34,858	4,434	31,742	11,475	16,515	26,704		282	5,273
N. Admin and Support Services: O. Public Admin, Defence and Social Services	128,976	24,590	8,571	16,793	6,283	10,421	12,657		107	2,596
P. Education	25,988	2,054	342	1,805	106	614	1,297		0	272
Q. Health and Social Work	69,624	6,552	1,124	5,627	1,155	2,024	4,758		-6	988
R. Arts, Entertainment and Recreation	34,783	4,981	1,230	4,073	1,532	2,989	2,616		31	521
S. Other services activities; T. Households; U. Overseas	53,052	3,557	799	2,908	647	1,440	2,115		0	438
Unclassified	19,325	5,284	685	4,876	2,199	3,286	3,790		478	334
All industries	1,558,815	365,720	101,052	291,573	107,904	187,220	212,271	94	3,646	42,833

Updated August 2017

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

[b] 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.

[c] Capital allowances less balancing charges.

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

[e] 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 Autumn 2018, which will show Corporation Tax, computation of liability for 2015-16

Contact details for this publication:

E-mail:
ct.statistics@hmrc.gsi.gov.uk

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

Table 11.5

Corporation Tax: financial year 2015-16 [a]

Computation of liability.
Number of companies, income, allowances, deductions and tax, by industry

Numbers: actual. Amounts: £ millions

Industry	Number of companies with trading profits and other income [b]	Gross trading profits [b]	Capital allowances [c]	Net trading profits	Other income & gains [c]	Deductions allowed	Total chargeable profits	ACT set-off [d]	Other reliefs set against tax [e]	Tax payable
A. Agriculture, Forestry and Fishing	17,832	2,773	1,830	1,310	412	340	1,382		-2	281
B. Mining and Quarrying	2,146	11,023	13,201	6,034	940	2,927	4,047		173	1,157
C. Manufacturing	92,811	44,230	14,658	32,147	8,484	21,545	19,086		51	3,817
D. Electricity, Gas, Steam and Air Conditioning	3,880	13,968	7,488	9,321	1,544	5,963	4,903		-11	998
E. Water, Sewerage and Waste,	5,396	5,212	3,419	2,153	931	2,122	961		1	193
F. Construction	209,516	25,101	4,737	20,959	6,361	8,697	18,624		-22	3,790
G. Wholesale and Retail Trade, Repairs	197,876	48,454	11,722	38,443	4,724	11,530	31,638		21	6,379
H. Transport and Storage	48,107	16,210	7,842	9,527	2,172	5,897	5,803		7	1,154
I. Accomodation and Food	61,137	9,438	3,668	6,519	1,976	3,677	4,820		-8	983
J. Information and Communication	178,709	34,000	8,284	27,050	5,379	13,096	19,333		98	3,802
K. Financial and Insurance	49,973	74,718	8,594	68,525	36,798	59,063	46,261		1,464	7,921
L. Real Estate	92,396	7,423	961	6,715	9,463	7,675	8,504		14	1,702
M. Professional, Scientific and Technical	346,834	36,801	4,740	33,398	13,413	18,222	28,590		235	5,530
N. Admin and Support Services: O. Public Admin, Defence and Social Services	140,853	25,875	9,048	18,040	7,515	11,444	14,112		75	2,793
P. Education	27,546	1,985	374	1,724	175	679	1,221		0	247
Q. Health and Social Work	86,262	7,303	1,186	6,316	1,162	2,064	5,414		-15	1,104
R. Arts, Entertainment and Recreation	37,647	4,919	1,321	3,928	1,266	2,578	2,617		16	514
S. Other services activities; T. Households; U. Overseas	60,291	4,066	941	3,295	590	1,251	2,633		-1	532
Unclassified	38,284	5,104	1,029	4,462	2,466	2,966	3,964		281	520
All industries	1,697,498	378,602	105,044	299,865	105,771	181,734	223,912	21	2,378	43,419

Updated August 2017

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

[b] 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.

[c] Capital allowances less balancing charges.

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

[e] 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 autumn 2018, which will show Corporation Tax, computation of liability for 2016-17

Table 11.6 Corporation Tax payable by size of liabilities, 2010-11 to 2015-16

This table presents an analysis of Corporation Tax payable after set-offs by year of liability for companies with accounting periods ending in 2010-11 to 2015-16. It shows the distribution by size of the liability.

Key points:

1. The distribution of companies' tax liabilities is highly skewed. In 2015-16 about 7,000 companies (under 1 per cent) had liabilities of £500,000 or more, between them contributing around 54 per cent of total Corporation Tax payable.

2. Companies with liabilities of less than £10,000 comprised about 65 per cent of the total number of companies liable for corporation tax in 2015-16, but owed only around 7 per cent of the total Corporation Tax payable.

3. In 2015-16, around 50 companies had more than £50 million each in Corporation Tax liabilities (totalling £5.4 billion or 12 per cent of the total Corporation Tax payable). The figures for 2014-15 were around 60 companies paying £6.9 billion or 16 per cent of the total Corporation Tax payable.

4. There was an increase of around 140 thousand in the number of companies with any liability between 2014-15 and 2015-16. This increase was largely concentrated in companies with a Corporation Tax liability of under £50,000.

Table 11.6

Corporation Tax

Corporation tax payable after set-offs by year of liability

Classified by size, financial years 2010-11 to 2015-16 [a]

Numbers:actual ; Amounts:£ millions

Amount of tax payable (lower limit) [c] £	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16	
	Numbers [b]	Amount	Numbers [b]	Amount	Numbers [b]	Amount	Numbers [b]	Amount	Numbers [b]	Amount	Numbers [b]	Amount
>0	47,680	1	48,890	1	51,940	2	53,870	2	59,860	2	71,030	2
100	57,200	16	61,080	17	66,780	19	71,940	20	78,600	22	89,760	25
500	48,320	36	51,720	38	56,830	42	61,100	45	66,340	49	75,110	56
1,000	251,490	706	267,430	749	286,210	798	308,040	861	335,200	937	377,420	1,052
5,000	181,300	1,311	192,060	1,393	204,850	1,487	222,210	1,615	244,590	1,778	272,060	1,978
10,000	261,320	5,269	281,270	5,673	303,870	6,121	333,550	6,709	372,520	7,492	404,490	8,132
50,000	26,860	1,827	28,040	1,917	30,600	2,100	33,320	2,286	37,850	2,606	42,360	2,920
100,000	21,090	4,310	22,170	4,511	23,610	4,760	25,100	5,024	27,780	5,493	30,160	5,935
500,000	2,800	1,955	2,870	1,987	2,900	2,012	3,090	2,150	3,310	2,296	3,480	2,406
1,000,000	2,500	5,140	2,450	5,022	2,380	4,835	2,480	5,034	2,680	5,497	2,720	5,566
5,000,000	380	2,679	350	2,478	370	2,603	350	2,419	390	2,698	400	2,788
10,000,000	370	7,699	370	7,420	360	6,875	330	6,753	350	7,035	360	7,163
50,000,000	90	12,650	80	11,720	60	8,620	50	6,650	60	6,930	50	5,400
All ranges	901,400	43,597	958,780	42,927	1,030,750	40,270	1,115,420	39,563	1,229,500	42,833	1,369,400	43,419

Updated August 2017

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

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

[c] We are unable to show a further breakdown at £100,000,000 and above (as we have in previous years) due to our duty of keeping 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 autumn 2018, which will show Corporation Tax, payable after set-offs by year of liability to 2016-17

Table 11.7 Corporation Tax payable by sector, 2010-11 to 2015-16

This table shows an analysis of Corporation Tax payable after set-offs by year of liability for companies with accounting periods ending in 2010-11 to 2015-16, classified by industrial sector.

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

Key points:

1. In 2015-16 the largest sector in terms of the number of companies with a Corporation Tax liability was the Professional, Scientific and Technical sector with around 302,000 companies. The growth in this section over the period of this table reflects the growing importance of new technology industries. This was followed by the Construction sector (173,000 companies) and the Wholesale and Retail Trade and Repairs sector and the Information and Communication sector (both around 152,000 companies).

2. In 2015-16 the sector with the greatest growth in percentage terms on 2014-15 in the numbers of companies was the Electricity, Gas, Steam and Air Conditioning sector. There was a 49 per cent increase in the number of companies classified in this sector (from 1,081 to 1,606).

3. The largest sector by tax payable was Financial and Insurance with £7.9 billion (or 18 per cent) of the total tax payable of £43.4 billion. This was followed by Wholesale and Retail Trade and Repairs (£6.4 billion) and Professional, Scientific and Technical (£5.5 billion).

4. In 2015-16 the sector with the greatest growth in percentage terms on 2014-15 in tax payable was Construction which increased 25 per cent from £3.0 billion in 2014-15 to £3.8 billion in 2015-16. The Information and Communication sector also saw an increase on the previous year of 15 per cent (from £3.3 billion to £3.8 billion).

Table 11.7

Corporation Tax

Corporation tax payable after set-offs by year of liability

Classified by industry, financial years 2010-11 to 2015-16 [a b c]

Numbers: actual; Amounts: £ millions

Industry	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16	
	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable
A. Agriculture, Forestry and Fishing	9,588	252	10,242	296	10,839	292	11,028	296	11,359	288	11,893	281
B. Mining and Quarrying	775	5,857	811	6,529	913	4,027	877	2,985	1,009	2,593	1,375	1,157
C. Manufacturing	56,988	4,715	59,855	4,368	63,091	4,122	63,576	3,905	66,036	3,718	70,012	3,817
D. Electricity, Gas, Steam and Air Conditioning	378	1,381	489	1,070	673	1,191	843	1,081	1,081	960	1,606	998
E. Water, Sewerage and Waste,	2,609	373	2,797	282	2,969	194	3,165	219	3,332	216	3,613	193
F. Construction	117,565	1,963	122,613	2,014	128,761	2,281	138,156	2,565	153,125	3,040	173,478	3,790
G. Wholesale and Retail Trade, Repairs	117,813	6,742	122,334	6,417	129,021	6,476	135,908	6,105	144,722	6,257	152,309	6,379
H. Transport and Storage	22,092	905	23,490	992	26,271	927	29,069	941	32,343	1,017	38,227	1,154
I. Accomodation and Food	25,525	701	27,567	734	30,079	812	32,746	842	36,950	921	40,877	983
J. Information and Communication	95,501	2,834	104,952	3,060	115,143	3,318	124,361	3,461	137,008	3,299	152,270	3,802
K. Financial and Insurance	25,324	7,790	26,431	6,979	28,485	6,665	28,643	6,359	31,401	8,441	34,570	7,921
L. Real Estate	46,493	1,053	50,087	1,055	54,349	1,152	59,091	1,232	64,596	1,659	69,854	1,702
M. Professional, Scientific and Technical	190,041	4,512	209,563	4,821	233,496	4,428	260,352	4,945	286,209	5,273	302,460	5,530
N. Admin and Support Services: O. Public Admin, Defence and Social Services	74,394	2,027	78,196	2,215	82,186	2,101	90,528	2,226	99,810	2,596	112,739	2,793
P. Education	13,443	249	14,526	208	16,204	219	18,240	265	20,223	272	21,595	247
Q. Health and Social Work	28,953	641	34,972	692	41,388	793	49,943	862	61,930	988	78,192	1,104
R. Arts, Entertainment and Recreation	16,519	464	17,915	451	19,597	476	21,520	481	23,706	521	26,473	514
S. Other services activities; T. Households; U. Overseas	33,001	646	34,170	452	35,162	403	37,411	400	40,505	438	47,407	532
Unclassified	24,392	492	17,770	290	12,119	393	9,958	393	14,156	334	30,446	520
All industries	901,394	43,597	958,779	42,927	1,030,747	40,270	1,115,416	39,563	1,229,502	42,833	1,369,397	43,419

Updated August 2017

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

[b] Number of companies with Corporation Tax payable.

[c] 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 autumn 2018, which will show Corporation Tax, payable after set-offs by year of liability for 2016-17

Table 11.8 Comparison of Corporation Tax payable between 2014-15 and 2015-16

This table shows a cross tabulation of Corporation Tax liabilities for companies who made a tax return in the financial year 2014-15 or 2015-16 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 around 1.1 million companies with no Corporation Tax liability in 2014-15 and around 1.3 million companies with no liability in 2015-16.

2. Around 935,000 companies had no Corporation Tax liability in either 2014-15 or in 2015-16.

3. Around 1.03 million companies had a Corporation Tax liability in both 2014-15 and 2015-16.

Table 11.8

Corporation Tax

Corporation tax payable after set-offs in financial years 2014-15 and 2015-16 [a]

Numbers in each size category of liability [b c d]

Numbers:Actual

Tax payable in 2014-15 (lower limit) £	Tax payable in 2015-16 (lower limit) £ 0	>0	1,000	5,000	10,000	50,000	100,000	500,000	All ranges
0	935,460	99,360	107,970	57,850	62,160	4,070	3,240	930	1,271,040
>0	73,920	79,020	38,270	7,970	4,890	330	170	30	204,590
1,000	60,860	40,150	158,160	52,910	21,520	820	390	40	334,850
5,000	25,800	9,290	49,880	103,320	54,690	1,020	390	40	244,440
10,000	28,300	7,000	21,740	48,940	248,530	15,190	3,110	150	372,940
50,000	2,940	390	640	810	10,890	16,350	5,760	130	37,920
100,000	2,630	280	280	320	2,390	4,590	16,030	1,280	27,810
500,000	930	60	50	30	120	100	1,110	4,400	6,790
All ranges	1,130,840	235,550	376,980	272,150	405,180	42,470	30,210	7,000	2,500,380

Updated August 2017

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

[b] Number of companies with a tax liability in either 2014-15 or 2015-16 or both years.

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

[d] 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 autumn 2018, which will show Corporation Tax payable, after set-offs in financial years ending 2016 and 2017

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 2015-16. Table 11.10 shows Capital Allowances due 2010-11 to 2015-16, 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). 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.

Key points:

1. Claims for Capital Allowances on qualifying assets in 2015-16 were up £2.5 billion (3 per cent) on 2014-15 to £90.5 billion. This is influenced by the increased AIA annual values (see 6 below).

2. By value 88 per cent of the Capital Allowances claims in 2015-16 were in respect of allowances on plant and machinery. These claims have increased by £4.1 billion (5 per cent) from 2014-15.

3. However claims for the “other assets” category in 2015-16 are down 10 per cent to £11.2 billion on 2014-15. This is due to the large drop in the Mining and Quarrying industrial sector.

4. Between 2008-09 and 2012-13 overall levels of Capital Allowance claims remained relatively stable, with the withdrawal of industrial buildings allowances that began in 2008 being offset by an increase claims to the “other assets” category. There was an increase around 10 per cent in the total Capital Allowances in 2013-14 and 2014-15.

5. Table 11.10 shows that the Mining and Quarrying industrial sector claimed most in the way of Capital Allowances in 2015-16, with claims of £13.8 billion (or 15 per cent of the total). Other industrial sectors with large overall claims in 2015-16 were Manufacturing (£11.9 billion) and Wholesale and Retail Trade and Repairs (£9.2 billion).

6. Claims for Annual Investment Allowance (AIA) have increased by £1.7 billion (or 11 per cent) to £16.7 billion in 2015-16. AIA annual accounting period amounts were £100,000 from 1 April 2010 to 31 March 2012, £25,000 from 1 April 2012 to 31 December 2012, £250,000 from 1 Jan 2013 to 31 March 2014, £500,000 from 1 April 2014 to 31 December 2015 and £200,000 from January 2016.

Table 11.9

Corporation tax

Capital allowances due 1973-74 to 2015-16 summary

Amounts: £ millions

Year [a]	Total	Type of asset etc.			Type of allowance [b]		
		Plant and machinery and vehicles [f]	Industrial buildings [g]	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 [c]	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 [d]	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 [e]	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 [f]	72,064	62,396	2,121	7,548	..	..	..
2009-10	71,205	60,574	1,511	9,120	..	..	..
2010-11	68,799	57,397	814	10,590	..	..	..
2011-12	74,015	63,059	147	10,832	..	..	..
2012-13	72,340	61,064	5	11,293	..	..	..
2013-14	80,515	69,076	..	11,464	..	..	..
2014-15	87,952	75,572	..	12,458	..	..	..
2015-16	90,476	79,657	..	11,242	..	..	..

Updated August 2017

[a] The figures relate to allow ances due for accounting periods ending in the financial year 31 March.

[b] Separate information on initial and first year allow ances is not available from 1988-89.

[c] Figures for 1979-80 and subsequently are on a revised basis not directly comparable w ith earlier years.

[d] Figures for 1982-83 and subsequently include Public Corporations.

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

[f] From 2008-09 this includes Annual Investment Allow ance (AIA) qualifying expenditure (see Table 11.10).
Companies in groups are entitled to only a single AIA claim betw een them in respect of qualifying expenditure.

[g] Industrial Building allow ance w as phased out from April 2011.

(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 allow ances since 1981 are given in Table A.5. Rates of allow ance betw een 1978 and 2000 are contained in the table appendix A5 of Inland Revenue Statistics 2000 and betw een 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 Allow ances due each year w hether or not they w ere used against profits of the year show n. 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 autumn 2018, which will show Corporation Tax,:Capital allowances due to 2016-2017

Table 11.10

Corporation Tax

Capital allowances due 2010-11 to 2015-16[a], by type of asset and by industry

Amounts: £ millions

Type of Asset	Plant and machinery and vehicles (ex AIA)						Annual Investment Allowance (AIA) [b]						Industrial buildings					
Industry	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2010-11	2011-12	2012-13 [c]	2013-14	2014-15	2015-16
A. Agriculture, Forestry and Fishing	44	-30	99	-2	163	265	258	354	260	527	786	810	3	1	..	n/a	n/a	n/a
B. Mining and Quarrying	3,800	6,063	8,076	10,689	9,893	8,816	17	19	12	37	64	80	4	1	..	n/a	n/a	n/a
C. Manufacturing	7,019	7,532	7,452	7,596	8,535	8,525	947	1,173	828	1,750	2,625	2,813	223	51	..	n/a	n/a	n/a
D. Electricity, Gas, Steam and Air Conditioning	4,733	5,048	5,499	5,842	6,033	6,332	8	16	16	56	146	191	32	4	..	n/a	n/a	n/a
E. Water, Sewerage and Waste,	1,766	1,669	1,919	2,332	2,418	2,504	77	100	71	162	260	306	46	4	..	n/a	n/a	n/a
F. Construction	546	1,889	599	429	762	984	675	801	693	1,120	1,649	1,912	11	2	..	n/a	n/a	n/a
G. Wholesale and Retail Trade, Repairs	6,000	5,940	6,005	5,838	6,243	6,080	1,130	1,308	994	1,763	2,441	2,639	40	9	..	n/a	n/a	n/a
H. Transport and Storage	3,515	3,398	4,230	5,126	4,121	4,954	366	458	326	722	1,148	1,314	266	36	..	n/a	n/a	n/a
I. Accomodation and Food	1,259	1,308	1,272	1,293	1,452	1,780	325	373	297	549	817	924	103	20	..	n/a	n/a	n/a
J. Information and Communication	6,133	5,938	5,387	5,801	5,655	5,910	337	403	328	547	728	764	7	2	..	n/a	n/a	n/a
K. Financial and Insurance	7,762	7,369	5,518	4,740	5,954	6,896	123	141	98	210	311	412	13	2	..	n/a	n/a	n/a
L. Real Estate	292	318	349	315	448	427	95	117	96	166	231	263	13	3	..	n/a	n/a	n/a
M. Professional, Scientific and Technical	2,032	1,434	1,476	1,963	1,477	1,675	519	627	550	875	1,162	1,211	18	5	..	n/a	n/a	n/a
N. Admin and Support Services: O. Public Admin, Defence and Social Services	4,514	5,852	5,589	5,192	5,720	5,905	526	644	497	960	1,438	1,650	10	2	..	n/a	n/a	n/a
P. Education	52	35	60	62	99	107	67	72	62	98	123	134	0	0	..	n/a	n/a	n/a
Q. Health and Social Work	230	272	274	241	403	418	168	196	164	262	358	381	0	0	..	n/a	n/a	n/a
R. Arts, Entertainment and Recreation	482	491	503	482	567	555	141	167	133	231	322	373	4	1	..	n/a	n/a	n/a
S. Other services activities; T. Households; U. Overseas	176	250	169	130	166	226	157	178	145	224	287	331	2	1	..	n/a	n/a	n/a
Unclassified	1,076	1,102	997	710	504	621	30	32	19	38	63	168	19	2	..	n/a	n/a	n/a
All industries	51,430	55,879	55,475	58,779	60,612	62,980	5,967	7,180	5,589	10,297	14,960	16,677	814	147	5	n/a	n/a	n/a

Updated August 2017

Amounts: £ millions

Type of Asset	Other assets						All assets					
Industry	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A. Agriculture, Forestry and Fishing	33	16	19	16	25	25	338	340	378	541	973	1,096
B. Mining and Quarrying	4,777	5,261	5,429	5,773	6,334	4,877	8,599	11,344	13,517	16,500	16,291	13,767
C. Manufacturing	573	500	510	591	598	607	8,762	9,251	8,791	9,934	11,750	11,890
D. Electricity, Gas, Steam and Air Conditioning	338	432	552	656	954	803	5,111	5,500	6,067	6,555	7,131	7,322
E. Water, Sewerage and Waste,	76	89	100	123	136	322	1,965	1,862	2,090	2,616	2,812	3,111
F. Construction	29	31	40	56	46	68	1,261	2,720	1,330	1,600	2,446	2,927
G. Wholesale and Retail Trade, Repairs	435	373	476	548	518	493	7,605	7,628	7,472	8,147	9,191	9,172
H. Transport and Storage	174	325	356	138	325	368	4,321	4,217	4,911	5,985	5,590	6,619
I. Accomodation and Food	107	134	91	97	107	87	1,794	1,833	1,658	1,938	2,367	2,754
J. Information and Communication	905	788	922	807	902	884	7,382	7,127	6,635	7,149	7,282	7,537
K. Financial and Insurance	1,266	1,321	991	1,031	1,076	1,261	9,164	8,833	6,607	5,981	7,340	8,495
L. Real Estate	10	13	10	22	19	18	410	451	454	503	697	703
M. Professional, Scientific and Technical	975	841	1,098	984	701	750	3,543	2,906	3,123	3,821	3,334	3,618
N. Admin and Support Services: O. Public Admin, Defence and Social Services	534	401	353	377	535	474	5,585	6,898	6,433	6,527	7,681	7,968
P. Education	3	5	4	6	3	4	122	112	126	166	224	243
Q. Health and Social Work	6	10	14	12	14	19	404	478	452	515	772	810
R. Arts, Entertainment and Recreation	17	11	28	26	31	37	644	670	663	735	918	958
S. Other services activities; T. Households; U. Overseas	60	65	76	73	72	70	395	493	390	426	523	621
Unclassified	272	214	225	128	63	77	1,397	1,350	1,240	876	630	862
All industries	10,590	10,832	11,293	11,464	12,458	11,242	68,799	74,015	72,340	80,515	87,952	90,476

Updated August 2017

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

[b] 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.

[c] 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 autumn 2018, which will show Corporation Tax, Capital allowances due, by industry, to 2016-17

Annex A: Key features of Corporation Tax, the Bank Levy and the Bank Surcharge

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:
https://www.gov.uk/government/statistics/corporate-tax-rates-of-capital-allowance

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 was 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.

From 1 April 2015 there is a unified rate of Corporation Tax rather than separate main and small profits rates.

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

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. Smaller companies in a group where the total taxable profits across the group are over £1.5 million must also pay under the QIPs system. Groups can set up Group Payment Arrangements whereby one nominated company makes instalment payments on behalf of the group. Smaller companies outside the QIPs regime have to pay Corporation Tax within 9 months and a day of their accounting period end date.

From 1 April 2011, companies have to 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 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.

Date	Corporation Tax changes
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%
1 April 2015	Single unified rate of 20% introduced.
1 April 2017	Single unified rate reduced from 20% to 19%

Companies have been charged 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.

From April 2006 the NCDR and zero per cent rates were replaced with a single rate set at the small companies' rate of 19 per cent.

From 1 April 2007 the small companies' rate raised from 19 per cent to 20 per cent.

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 Small Profits Rate (SPR), formerly known as small companies' rate, was reduced from 21 per cent to 20 per cent and the introduction of compulsory online filing for Company Tax returns was introduced.

Between 1 April 2011 and 1 April 2014 the main rate was reduced from 28 per cent to 21 per cent (see table above).

From 1 April 2015 a single unified rate of 20 per cent was introduced.

From 1 April 2017 the unified rate was reduced to 19 per cent.

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 Corporation Tax 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 - 31 March 2015

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

01 April 2015 – 31 December 2015

0.21% for short term chargeable liabilities and 0.105% for long-term chargeable equity and liabilities.

01 January 2016 – 31 December 2016

0.18% for short term chargeable liabilities and 0.09% for long-term chargeable equity and liabilities.

01 January 2017 – 31 December 2017

0.17% for short term chargeable liabilities and 0.085% for long-term chargeable equity and liabilities.

From January 2016, bank levy rates will be steadily tapered downwards, ultimately reaching 0.10% for short term chargeable liabilities and 0.05% for long-term chargeable liabilities in January 2021.

The Bank Surcharge

The Bank Corporation Tax Surcharge, commonly known as the Bank Surcharge, was introduced in The Finance Act (No 2) 2015 to levy a surcharge on the profits of banking companies from 1 January 2016.

The Bank Surcharge applies to all banking companies and building societies within the scope of the charge to UK Corporation Tax.

The surcharge profits are calculated on the same basis as for Corporation Tax but before the offset of losses that arise before the commencement date or from non-banking companies, before the surrender of group relief from non-banking companies. R&D expenditure credits are excluded from the surcharge. The surcharge also applies to any chargeable profits of a Controlled Foreign Company (CFC) which are apportioned to a banking company.

There is an annual allowance of £25 million available to banking groups, or, where a group has only one banking company or the banking company is not in a group, to that banking company alone.

The Bank Surcharge is paid alongside a company’s liability to Corporation Tax. Liabilities and receipts are recorded on the HMRC COTAX system.

Bank Surcharge Rates

From 01 January 2016

A single rate of 8% on chargeable profits over £25 million.

Banking Sector Tax Receipts Statistics

HMRC Official Statistics on Corporation Tax 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

Annex B: Data sources and Methodology

Data sources

Receipts

The data for Corporation Tax receipts and Bank Levy receipts (table 11.1A) comes mainly from postings recorded on the HMRC COTAX administrative system. 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 per cent of ‘large’ companies and 10 per cent 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 per cent of the total Corporation Tax liability.

For years shown from 2005-06 onwards, data from 100 per cent 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. 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'.

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 Corporation Tax 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 C: 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.

Corporation Tax 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.

Corporation Tax 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.

North Sea Oil

Now called ring-fenced oil and gas companies – see below.

Quarterly Instalment Payments (QIPs)

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

Ring-fenced oil and gas companies

Ring-Fence Corporation Tax (RFCT) and the supplementary charge only apply to companies involved in the exploration for, and production of oil and gas in the UK and on the UK Continental Shelf (UKCS). Previously we called these companies "North Sea Oil" however not all receipts and liabilities come from activities exclusively in the North Sea and we have decided to rename this sector. See:
https://www.gov.uk/guidance/oil-gas-and-mining-ring-fence-corporation-tax

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 was 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.

Standard Industrial Classification of Economic Activities (SIC)

The United Kingdom Standard Industrial Classification of Economic Activities (SIC) is used to classify business establishments and other standard units by the type of economic activity in which they are engaged. The version of these codes (SIC 2007) adopted by the UK as from 1st January 2008 is used in this publication.

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 was 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 D: The 2014-15 Corporation Tax rate structure

In April 2015 a single unified rate of 20 per cent Corporation Tax was introduced and therefore a lower small profits rate and marginal relief no longer apply. However our latest year's liability data covers all company returns with an accounting period in the financial year ending 31 March 2016. Most companies will have some of their Corporation Tax calculated under the 2014-15 tax regime, for instance if they have their accounting period ending 31 December 2015 they will have their profits for January to March 2015 subject the 2014-15 rates and may be able to claim some tax at the small profits rate and some marginal relief for that period.

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 2014-15 was 1/400.

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 = 21% x £500,000 = £105,000.

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 1/400 = £2,500

So, Corporation Tax payable = £105,000 – £2,500 = £102,500.

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 21.25%.

Corporation Tax payable = (£300,000 x 20%) + (£200,000 x 21.25%)
= £60,000 + £42,500 = £102,500.

This is equivalent to paying at 20% on the first £300,000 and at 21.25% on the remainder, so that by £1.5 million they are paying at an average rate of 21% (the rate of Corporation Tax for 2014-15).

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.