HM Revenue & Customs

Corporation Tax Statistics

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

Single unified rate introduced

April 2015

down to

20%

1.25 million

up

12%

Companies with tax liability

CT Liabilities 2014-15

£43.7 billion

up 10%

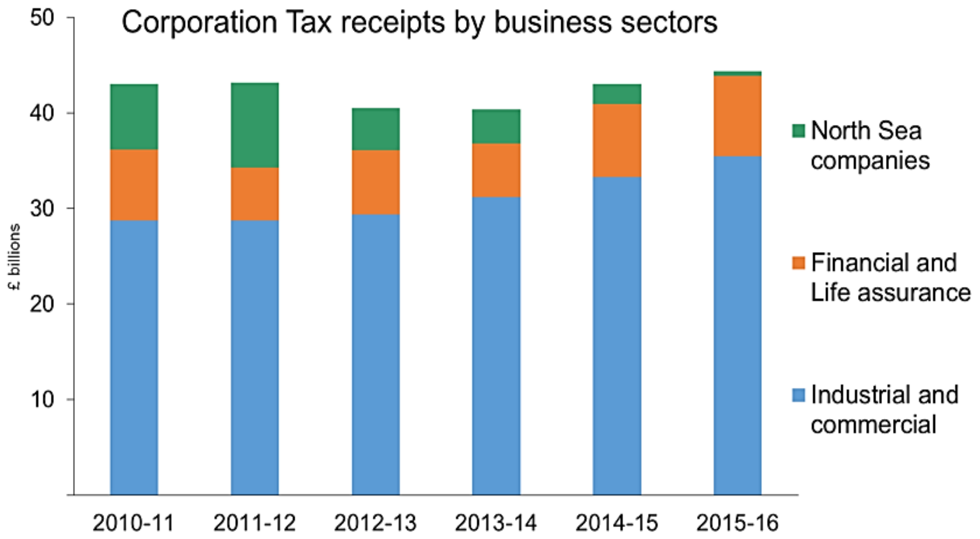
- Financial sector + 39%
- North Sea sector - 12%
- Real Estate sector + 34%

CT Receipts 2015-16

£44.4 billion

up 3%

- North Sea down to £0.5 billion
- Bank Levy up to £3.4 billion
- New Bank Surcharge £22 million



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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 2016 and Corporation Tax liability estimates for company accounting periods ending in 2014-15. These tables are released and updated annually. For Corporation Tax liability estimates figures relating to financial years from 2009-10 to 2014-15 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 receipts and liabilities, have been based on Standard Industrial Classification (SIC) 2007 codes. Previously these were based on HMRC's Summary Trade Classification (STC) codes.

The next scheduled release is in summer 2017, which will show Corporation Tax, Bank Levy and Bank Surcharge receipts figures for 2016-17 and Corporation Tax liabilities for 2015-16.

For further details, please refer to the publication and release strategy on page seven of this report.

SECTION 1: Introduction

What does this publication tell me?

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

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

Who might be interested?

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

What is Corporation Tax?

Corporation Tax (CT) is a direct tax charged on the profits made by companies, public corporations and unincorporated associations such as industrial and provident societies, clubs and trade associations. It makes up approximately eight 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 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 (for non-ring fenced profits) rather than separate main and small profits rates.

- On 1 April 2017 the unified rate will be reduced to 19 per cent and 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. Previously liabilities tables 11.1B to 11.10 were published later in the year, but Corporation Tax liabilities data are now available earlier as a result of the electronic filing requirement, which has allowed us to jointly publish receipts and liabilities tables in August.

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

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

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

Contact points

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

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

SECTION 2: Summary of key statistics

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

Corporation Tax, 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 headline statistics for Corporation Tax receipts are:

- The Industrial and Commercial sector has consistently contributed the highest proportion of CT receipts among the sectors: on average accounting for 73 per cent of all CT receipts since 2009-10.

- From 2008-09 to 2011-12, receipts from North Sea oil and gas companies (ring fenced 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 latest figures show a reversal in this trend, with the Financial Sector becoming the second largest contributor from 2012-13 onwards.

- Total net CT receipts in 2015-16 were £44.4 billion. This is an increase of 3 per cent from £43.0 billion in 2014-15 (see Section 4, Table 11.1A), which sees CT receipts at a highest level since 2007-08.

- This change reflects increases in Manufacturing, Distribution, Financial, Life Assurance and Other industrial and commercial sector categories.

- Manufacturing sector receipts increased by 0.8 per cent, from £4.59 billion in 2014-15 to £4.63 billion in 2015-16.

- Distribution sector receipts increased by 6.7 per cent, from £5.0 billion in 2014-15 to £5.4 billion in 2015-16.

- Financial sector receipts increased by 11.8 per cent, from £6.3 billion in 2014-15 to £7.1 billion in 2015-16.

- Receipts from other industrial and commercial sector companies increased by 7.5 per cent, from £23.7 billion in 2014-15 to £25.5 billion in 2015-16.

- Life Assurance sector receipts increased by 2.5 per cent to £1.3 billion in 2015-16.

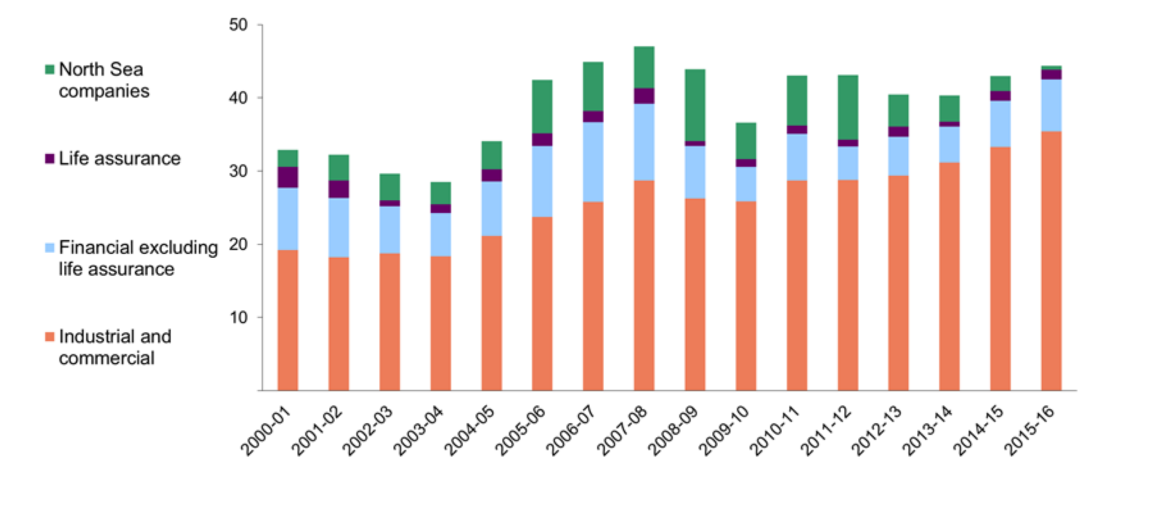
- North Sea oil and gas sector receipts reduced from £2.1 billion in 2014-15 to £0.5 billion in 2015-16.

- Bank Levy receipts have increased from £2.7 billion in 2014-15 to £3.4 billion in 2015-16.

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

Figure 1 shows the changes in net CT receipts in the period from 2000-01 to 2015-16. CT receipts have increased from 2014-15 to 2015-16.

Figure 1. Corporation Tax net receipts, by sector, 2000-01 to 2015-16 (£ 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 2014-15 were £43.7 billion, compared to £39.6 billion in 2013-14, an increase of 10 per cent. (See table 11.1B)

- Corporation Tax liabilities from North Sea oil and gas companies decreased from £3.3 billion in 2013-14 to £2.6 billion in 2014-15, a drop of 23 per cent. A decline in oil price and in production are the main factors in this decrease. (See table 11.1B)

- Onshore liabilities (i.e. from companies other than ring fenced oil and gas companies) increased from £36.3 billion in 2013-14 to £41.2 billion in 2014-15, a 13 per cent increase. (See table 11.1B)

- The number of companies with trading profits in 2014-15 was up 11 per cent to 1.39 million from 2013-14. The number with a tax liability in 2014-15 was up 12 per cent to 1.26 million from 2013-14. (See table 11.3)

- The distribution of companies' tax liabilities is highly skewed. In 2014-15 about 6,900 companies (under 1 per cent) had liabilities of £500,000 or more, between them contributing around 52 per cent of total Corporation Tax payable. (See table 11.6)

- Companies with liabilities of less than £10,000 comprised about 64 per cent of the total number of companies liable for corporation tax in 2014-15, but we liable for only around 6 per cent of the total Corporation Tax payable. (See table 11.6)

- In 2014-15 the largest industrial sector for tax payable was Financial and Insurance with £8.8 billion (or 20 per cent) of the total tax payable of £43.7 billion. This was followed Wholesale and Retail Trade and Repairs (£6.4 billion) and Professional, Scientific and Technical (£5.3 billion). (See table 11.7)

- Claims for Capital Allowances on qualifying assets in 2014-15 were up £9.4 billion (12 per cent) on 2013-14 to £90.0 billion. (See table 11.10)

- By value 86 per cent of the Capital Allowances claims in 2014-15 were in respect of allowances on plant and machinery (including Annual Investment Allowance).

Figure 2 shows the changes in Corporation Tax liabilities in the period from 1999-00 to 2014-15.

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 four years are back around £40 billion per year.

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

Figure 2. Corporation Tax liabilities, by sector, 1999-00 to 2014-15 (£ billions).

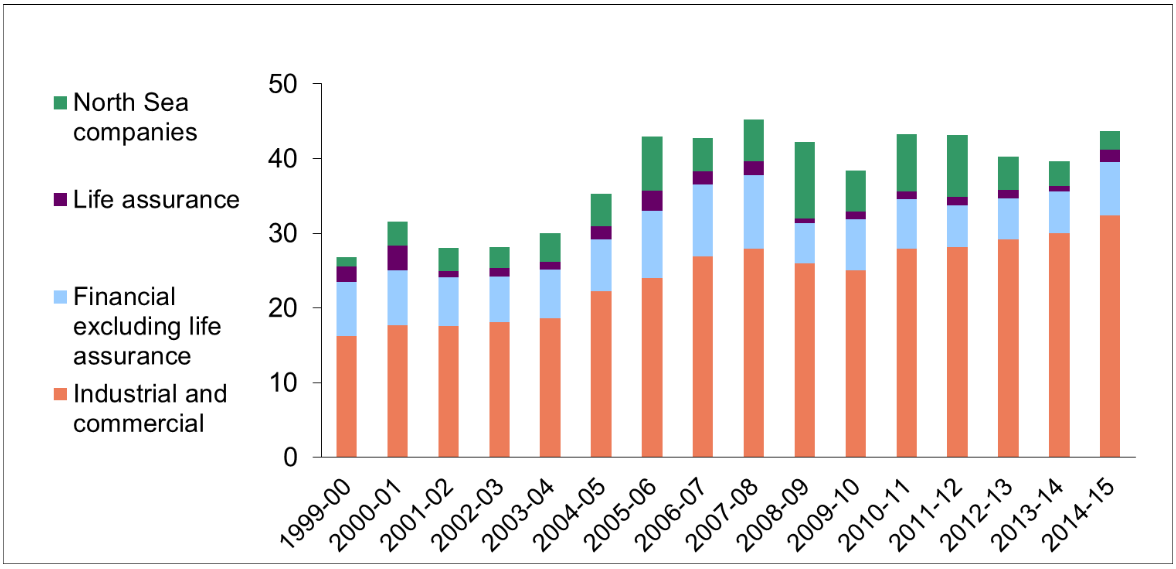
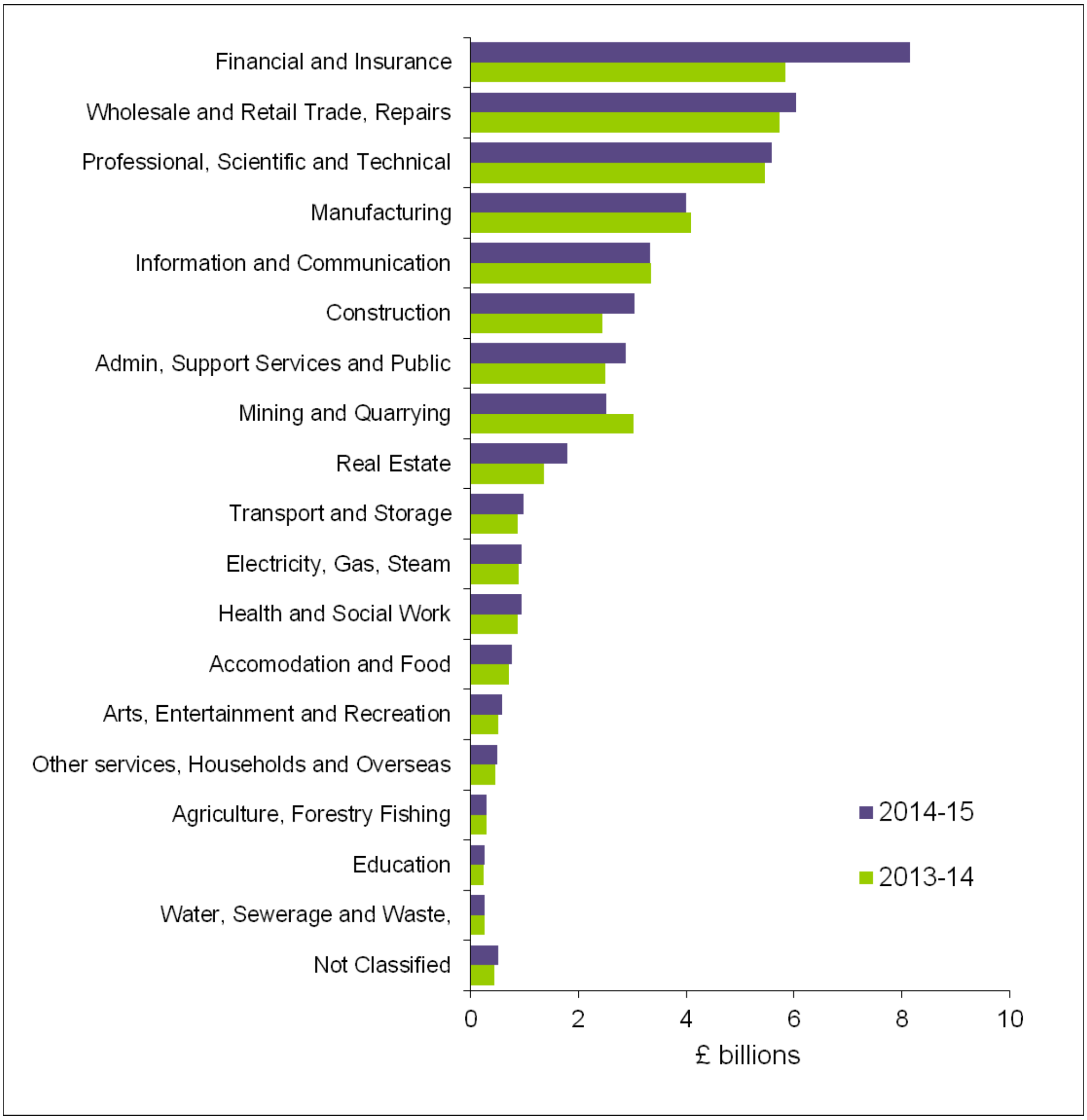


Figure 3 shows a breakdown of Corporation Tax liabilities by SIC 2007 industry sectors for 2013-14 and 2014-15.

In 2014-15, the Financial and Insurance sector was the largest with liabilities of £8.8 billion. In 2013-14 it was also the Financial and Insurance sector at £6.3 billion. The steep rise in liabilities for this sector reflects the increase in profits from several years of decline, especially in the life insurance subsector (see table 11.1B).

In 2014-15 there was a drop in the Mining and Quarrying sector, this is due to the drop in liabilities from North Sea oil and gas companies. The drop was the result of a decline in oil prices and production.

Figure 3. Corporation Tax liabilities by SIC 2007 industry, 2013-14 and 2014-15 (£ billions)



Factors influencing Corporation Tax liabilities and receipts

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

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

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

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

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 in the summer 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 CT receipts has been amended to reflect the change in accounting. Total CT 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 the footnote of Table 11.1A.

Table 11.1A Corporation Tax, Bank Levy and Bank Surcharge net receipts, 1999-00 to 2015-16

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

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

The Bank Levy, which was introduced from 1 January 2011, is returned to HMRC as part of the supplementary pages to the CT600 company tax return. Liabilities and receipts are recorded on the HMRC COTAX system. All companies subject to the

Bank Levy are deemed to be 'large companies' for payment purposes and therefore all liabilities are paid as quarterly instalments under the same provisions as Corporation Tax. Bank Levy payments began to be received during 2011-12, and Bank Surcharge payments began to be received from January 2016.

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

In 1999, there were major changes to the way in which CT payments were made. For an accounting period ending in June 1999 or earlier, Advance Corporation Tax (ACT) was levied on any dividend payments by the company, usually in the following quarter. Mainstream Corporation Tax (MCT) was then due nine months and a day after the end of the accounting period, allowing for any ACT already paid (ACT set off). For accounting periods ending July 1999 or later there is no ACT; however, large companies were required to make quarterly instalment payments (QIPs) around 5½ and 2½ months before the end of the accounting period, and around ½ and 3½ months after the end. Initially, each QIP was intended to represent 15 per cent of the company's estimate of its likely liability for the year as a whole, with a 40 per cent balancing payment made nine months and a day after the end of the accounting period (the same point at which MCT had been payable). However, the QIP size was increased progressively, and for accounting periods ending July 2002 or later, each QIP is intended to represent 25 per cent of the company's likely liability for the year with no balancing payment. Currently companies making profits for any accounting period at a rate of over £1.5 million annually must normally pay by instalments. Other companies are not required to pay in instalments and must make a single payment by nine months and a day after the end of the accounting period. Special rules apply to tax payable on ring fence profits from North Sea oil 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 CT receipts in 2015-16 stood at £44.4 billion. This figure includes around £850 million of tax credits, which were given as enhanced relief.

2. There was little change in total CT receipts in 2010-11 to 2011-12, with receipts rising slightly to £43.1 billion in 2011-12. This was followed by a decrease of 6 per cent to £40.5 billion in 2012-13. In 2012-13 to 2013-14, there was little change with receipts falling to £40.3 billion in 2013-14. This was followed by an increase of 7 per cent in 2014-15 to £43.0 billion, and a further increase of 3 per cent in 2015-16 to £44.4 billion.

3. CT receipts from North Sea oil and gas companies fell by 49 per cent from £9.8 billion in 2008-09 to £5.0 billion in 2009-10 as oil prices dropped back from their previous highs, before rising again by 37 per cent to £6.9 billion in 2010-11 as oil prices began to increase again. Receipts rose again by 29 per cent to £8.8 billion in 2011-12 as oil prices continued to rise and the CT supplementary charge was increased to 32 per cent from 20 per cent on 24 March 2011. Sharp declines in production and rising expenditure were the main contributory factors in CT 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 2013-14. These factors continued to cause CT receipts to fall in 2014-15 along with falling oil prices. CT receipts fell 42 per cent to £2.1 billion in 2014-15, and a further 74 per cent to £0.5 billion in 2015-16 due in particular to substantial reductions in oil and gas prices.

4. The 2014-15 to 2015-16 increase in overall CT receipts includes a £1.8 billion increase in receipts from the Other Industrial and Commercial sector.

5. CT receipts from the Onshore company industrial sectors increased from £40.9 billion in 2014-15 to £43.9 billion in 2015-16.

6. Bank Levy was introduced in January 2011 and the first payments were received in August 2011. 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 from £1.6 billion in 2012-13 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 rate of the Bank Levy.

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.

Table 11.1A

Corporation Tax, Bank Levy and Bank Surcharge

Corporation Tax, Bank Levy and Bank Surcharge net receipts 1999-00 to 2015-16

£ 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
Onshore companies - net receipts excluding ACT																	
By type of payment:																	
Mainstream corporation tax	19,448	-208	-1,766	-1,574	-1,430	-872	-595	-380	230	-71	156	24	-56	-151	-91	-58	22
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	25,489	29,695
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
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	40,932	43,850
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	4,594	4,630
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	5,023	5,361
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	23,684	25,450
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	6,315	7,060
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
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	40,932	43,850
North Sea companies - net receipts excluding ACT																	
Mainstream corporation tax	578	-65	92	-5	-69	-60	-53	-39	4	-16	-10	35	-5	0	0	-2	-10
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	2,075	548
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	2,073	538
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]	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
Bank Levy[6]	..	..	..	..	..	..	..	..	..	..	..	..	1,612	1,594	2,200	2,748	3,392
Bank Surcharge[7]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	22

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[1] To ensure that the total HMRC receipts are categorised in this table are in line with the HMRC trust statement totals, an estimate has been made of distribution of uncategorised payments between 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 and £196 million in 2015-16.

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

[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, £1,000 million in 2013-14, £950 million in 2014-15, and £850 million in 2015-16.

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

[7] Bank Surcharge is a new tax introduced from 1 January 2016. Payments began to be received from January 2016 onwards. 2015-16 receipts are relatively low because most banks are not due to pay it until 2016-17.

The next scheduled release is in August 2017, which will show Corporation Tax, Bank Levy and Bank Surcharge receipts to 2016-17.

SECTION 4: Corporation Tax liabilities

Tables in this section

11.1B Corporation Tax liabilities 1999-00 to 2014-15.

11.2 Income, allowances, deductions and tax liabilities by company sector, 2009-10 to 2014-15.

11.3 Corporate income, allowances and tax liabilities, 2009-10 to 2014-15.

11.4 Computation of Corporation Tax liability by industry for 2013-14.

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

11.6 Corporation Tax payable by size of liabilities, 2009-10 to 2014-15.

11.7 Corporation Tax payable by sector, 2009-10 to 2014-15.

11.8 Comparison of Corporation Tax liabilities between 2013-14 and 2014-15.

11.9 Capital allowances, summary 1973-74 to 2014-15.

11.10 Capital allowances due by industry, 2009-10 to 2014-15.

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 2014-15.

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 standard. Companies have been assigned to a SIC 2007 sector based on information from the ONS's Inter-Departmental Business Register (IDBR) survey where there was a unique match, or otherwise from information provided by companies to Companies House. Some categories have been amalgamated in order to protect taxpayer confidentiality.

In previous releases these tables have been shown with industrial sectors based on HMRC's Summary Trade Classification (STC) codes, which 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 2009-10 has been calculated to reflect the change in accounting system.

Table 11.1B Corporation Tax liabilities, 1999-00 to 2014-15

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 North Sea 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 North Sea 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 North Sea oil and gas 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 2014-15 were £43.7 billion, compared to £39.6 billion in 2013-14, an increase of 10.4 per cent.

2. Corporation Tax liabilities from ring fenced oil and gas companies decreased from £3.3 billion in 2013-14 to £2.6 billion in 2014-15, a drop of 23 per cent. A decline in oil prices and in production are the main factors in the decrease.

3. Despite a decrease in the main rate of Corporation Tax from 23 per cent to 21 per cent in April 2014, onshore liabilities (i.e. from companies other than ring fenced oil and gas companies) increased from £36.3 billion in 2013-14 to £41.2 billion in 2014-15, a 13 per cent increase.

4. In 2014-15, compared to 2013-14, for industrial and commercial companies liabilities increased by 8 per cent, for financial companies excluding life assurance liabilities increased by 26 per cent and for life assurance companies liabilities increased by 146 per cent.

Table 11.1B

Corporation Tax

Corporation tax liabilities 1999-00 to 2014-15 [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 [e]	2010-11	2011-12	2012-13	2013-14	2014-15
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	27,960	28,129	29,134	29,979	32,419
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	6,604	5,625	5,572	5,635	7,102
Life assurance	2,131	3,312	869	1,211	1,077	1,741	2,705	1,726	1,844	598	993	1,035	1,074	1,060	666	1,639
Total	25,585	28,378	24,932	25,367	26,190	30,955	35,705	38,249	39,615	31,995	32,908	35,599	34,828	35,766	36,280	41,160
North Sea companies	1,258	3,180	3,080	2,810	3,860	4,332	7,295	4,518	5,623	10,270	5,455	7,695	8,349	4,486	3,311	2,552
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	43,294	43,177	40,252	39,591	43,712

Updated August 2016

[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 2009-10 the figures have been revised using latest available HMRC data.

The next scheduled release is in August 2017, which will show Corporation Tax liabilities to 2015-2016

Table 11.2: Income, allowances, deductions and tax liabilities by company sector, 2009-10 to 2014-15

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

The table is organised to follow the main stages of the tax assessment, starting with gross taxable trading profits (or 'gross case 1 profits') reflecting the impact of the tax rules in allowing or disallowing expenses which may be recorded against profits in companies' commercial accounts. Capital allowances, as detailed in HMRC National Statistic Table A.5 that is published separately (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 £7.3 billion between 2009-10 (£25.1 billion) and 2014-15 (£32.4 billion) for industrial and commercial companies (excluding overseas and North Sea oil and gas companies).

2. Financial companies (excluding life assurance) saw a small increase of £0.3 billion over the same period (from £6.8 billion in 2009-10 to £7.1 billion in 2014-15).

3. In 2014-15 financial companies saw a 25 per cent increase in gross taxable trading profits from 2013-14 (up £13.7 billion to £69.1 billion). However there was also increase in capital allowances and losses brought forward which meant that profits chargeable to corporation tax were limited to a 20% increase (up £6.4 billion to £38.0 billion).

4. For industrial and commercial companies there was a major increase for advanced corporation tax set-off from £11 million in 2013-14 to £94 million in 2014-15. This is due to one large company using up the end of its ACT set-off surplus (see key point 6 in the notes below on Table 11.3).

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

Table 11.2

Corporation Tax

Income, allowances, deductions and tax liabilities by company sector, 2009-10 to 2014-15 [a]

Amounts: £ million

	Industrial and commercial companies excluding overseas and North Sea oil companies [b]						Financial companies excluding life assurance					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Gross taxable trading profits	193,892	211,074	219,538	230,820	248,477	275,687	67,248	68,469	66,559	53,906	55,326	69,052
Capital allowances (less balancing charges) offset against trading profits	41,542	44,487	45,677	44,184	53,039	63,855	6,107	6,184	5,889	3,976	3,607	5,666
Trading losses from previous years offset against this year's trading profits	10,258	12,072	12,532	13,642	14,151	15,547	14,124	15,325	15,598	8,175	7,441	15,438
Other taxable income and net capital gains	79,245	58,595	57,571	58,256	59,421	63,707	58,455	32,913	31,994	29,744	27,752	30,148
Trading losses offset against other income	9,066	7,433	7,051	6,930	8,493	6,795	1,667	1,417	1,764	999	687	384
Charges paid and offset against profits	1,335	1,413	1,586	1,626	2,064	2,191	146	180	227	143	210	214
Group relief received	73,437	67,516	66,558	67,408	67,715	71,481	45,674	36,584	36,050	33,192	30,402	29,069
Other deductions	18,786	18,105	17,582	18,684	19,159	18,884	11,262	9,782	8,665	9,652	9,150	10,470
Profits chargeable to corporation tax	118,713	118,643	126,123	136,602	143,277	160,641	46,723	31,910	30,360	27,513	31,581	37,959
Charge to corporation tax	30,975	30,827	31,220	31,747	31,939	33,896	12,881	8,782	7,930	6,657	7,280	8,134
Marginal Small Companies Relief	342	378	378	310	242	137	14	16	16	13	10	5
Advance corporation tax set off	22	15	10	16	11	94	1	2	0	4	0	0
Double taxation relief	5,249	2,219	2,635	2,428	1,883	1,531	5,944	2,042	2,245	1,016	1,678	1,166
Income tax set off and other non-standard reductions	291	254	69	-140	-175	-285	79	119	79	182	-8	-103
Corporation tax liabilities (after ACT set off)	25,072	27,960	28,129	29,134	29,979	32,419	6,843	6,604	5,625	5,572	5,635	7,102

Updated August 2016

[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.

The next scheduled release is in August 2017, which will show Corporation Tax: income, allowances, deductions and tax liabilities by company sector, to 2015-16

Table 11.3 Corporate income, allowances and tax liabilities, 2009-10 to 2014-15

This table provides a summary of corporate income and Corporation Tax liabilities from 2009-10 to 2014-15.

Key points:

1. The number of companies with trading profits in accounting periods ending in 2014-15 was up 10.5 per cent from the previous year to 1.39 million. The number with a tax liability in 2014-15 was up 12.1 per cent to 1.25 million.

2. In 2014-15, 1.26 million profit-making companies had total chargeable profits of £215 billion, an increase in profits of 14.8 per cent on the previous year. Gross trading profits (before capital allowances) increased by 10.8 per cent and capital allowances increased by 17.3 per cent on the previous year.

3. About two thirds of the total chargeable profits in 2014-15 (attributable to around 53,800 companies) were taxed at the 21 per cent main rate of Corporation Tax. The remaining 1.2 million companies either received marginal relief against their main rate liability or were taxed at the 20 per cent small profits rate of Corporation Tax.

4. Around 1.1 million companies fell into the 20 per cent small profits rate of Corporation Tax in 2014-15 A further 59 thousand companies with profits above £300,000 were liable at 21 per cent but received marginal small profits relief. The marginal small profits relief is calculated on a sliding scale for profits between £300,000 and £1.5 million (see Appendix C).

5. From the overall £43.7 billion Corporation Tax liability in 2014-15, about 7,600 of the typically very largest companies claimed £3.5 billion in 'Double tax relief' in respect of tax paid abroad on income repatriated to the UK (comprising mainly dividends).

6. An estimated 113 companies claimed deductions of Advance Corporation Tax (ACT) totalling £94 million in 2014-15. No new ACT has arisen on dividends paid on or after 6 April 1999 and this amount represents a deduction from the pool of 'surplus' ACT that certain companies are carrying forward.

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

Table 11.3

Corporation Tax

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

Financial years 2009-10 to 2014-15 [a]

Numbers: actual ; Amounts: £ millions

	2009-10		2010-11		2011-12		2012-13		2013-14		2014-15 [i]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Gross taxable trading profit [b]	951,829	285,189	1,018,436	307,268	1,085,500	315,756	1,160,037	308,624	1,260,014	331,938	1,392,511	367,702
Capital allowances [c]	893,769	73,830	889,182	73,680	894,553	80,178	912,383	75,607	937,460	87,892	967,222	103,106
Net trading profits [d, b]	894,046	230,471	955,429	250,710	1,021,679	255,535	1,098,472	251,656	1,187,408	266,193	1,313,618	291,872
Other income & gains	635,572	154,833	532,643	109,070	533,377	107,155	549,862	103,735	569,397	95,779	606,142	109,325
Deductions allowed	433,295	201,243	418,178	185,998	427,718	183,248	440,478	174,747	451,750	174,509	447,709	186,018
Total chargeable profits	871,747	184,063	907,597	173,793	964,791	179,399	1,037,656	180,658	1,123,516	187,476	1,258,503	215,192
Rates at which profits charged [e]												
Main rate	40,322	133,043	39,586	119,420	46,225	123,151	43,260	116,866	44,891	122,262	53,750	136,593
Marginal small profits rate [f]	36,636	12,029	40,218	13,559	0	0	48,093	16,765	52,138	18,310	58,799	21,276
Small profits rate [f]	794,789	38,991	827,794	40,814	918,565	56,248	946,303	47,026	1,026,487	46,904	1,145,954	57,323
Total tax charge [g]	871,747	51,147	907,598	49,158	964,790	49,500	1,037,656	44,993	1,123,516	44,180	1,258,503	47,178
Double tax relief	7,749	11,836	6,827	4,925	7,041	5,610	7,246	4,345	7,386	4,491	7,599	3,460
Act set-off	272	23	209	17	189	10	184	20	138	11	113	94
Income tax set-off	22,566	426	15,910	361	13,284	292	13,281	294	12,603	111	12,077	268
Other reliefs [h]	38,081	499	41,324	559	44,365	445	48,217	210	51,501	11	57,385	-320
Corporation tax payable	865,431	38,363	901,226	43,295	958,618	43,178	1,031,372	40,253	1,117,777	39,592	1,252,847	43,712

Updated August 2016

[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.

[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 August 2017, which will show Corporation Tax, number, income, allowances, tax liabilities and deductions for 2015-16

Tables 11.4 and 11.5 Computation of Corporation Tax liability by industry for 2013-14 and for 2014-15

These tables provide a breakdown of Corporation Tax liabilities for 2013-14 and 2014-15 by industrial sector for companies with trading profits or other income.

Key points for table 11.4 (2013-14):

1. For 2013-14 the largest sector by number of companies was Professional, Scientific and Technical with around 300 thousand (or 21 per cent) of a total 1.4 million companies with trading profits or other income.

2. The largest sector by tax payable in 2013-14 was Financial and Insurance with £6.3 billion (or 16 per cent) of the total tax payable of £39.6 billion.

3. In 2013-14 the Financial and Insurance sector had the largest net trading profits at £62.5 billion (or 23 per cent) of the total of £266 billion net trading profits for all companies.

Key points for table 11.5 (2014-15):

1. In 2014-15 the largest sector by number of companies was Professional, Scientific and Technical with around 323 thousand (or 21 per cent) of the 1.6 million companies with trading profits or other income.

2. The largest sector for tax payable in 2014-15 was Financial and Insurance with £8.8 billion (or 20 per cent) of the total tax payable of £43.7 billion.

3. The Financial and Insurance sector had the largest net trading profits in 2014-15 at £73.8 billion (or 25 per cent) of the total of £292 billion net trading profits for all companies.

4. Overall net trading profits were up in 2014-15 (up 10 per cent from 2013-14 to £292 billion). However there were shifts of liabilities within sectors between 2013-14 and 2014-15. The Real Estate sector's net trading profit was up 28 per cent to £5.7 billion but the Mining and Quarrying sector was down 11 per cent to £9.3 billion.

5. At £16.4 billion Mining and Quarrying had the largest capital allowances in 2014-15.

Table 11.4

Corporation Tax: financial year 2013-14 [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	16,163	2,207	1,024	1,382	313	324	1,372		4	299
B. Mining and Quarrying	1,604	18,306	15,510	10,476	1,391	4,297	7,570		591	2,963
C. Manufacturing	86,393	38,178	11,585	29,016	6,487	18,212	17,292		91	3,920
D. Electricity, Gas, Steam and Air Conditioning	2,286	14,122	6,609	9,212	1,666	6,187	4,692		92	1,081
E. Water, Sewerage and Waste,	4,841	4,598	2,834	2,075	872	2,003	945		-3	219
F. Construction	176,875	16,199	2,640	14,039	6,097	8,348	11,789		14	2,571
G. Wholesale and Retail Trade, Repairs	180,594	44,153	9,843	35,971	4,429	12,890	27,513		111	6,120
H. Transport and Storage	38,523	13,791	6,611	8,077	1,564	5,415	4,226		17	940
I. Accomodation and Food	50,360	7,043	2,462	5,234	2,054	3,566	3,722		0	838
J. Information and Communication	149,677	29,179	7,687	23,146	4,612	11,328	16,431		176	3,458
K. Financial and Insurance	44,121	66,317	4,972	62,524	35,529	60,304	37,750		2,420	6,301
L. Real Estate	80,924	4,925	660	4,439	8,501	7,315	5,625		13	1,234
M. Professional, Scientific and Technical	300,968	31,456	4,635	28,396	11,378	15,184	24,592		424	4,956
N. Admin and Support Services: O. Public Admin, Defence and Social Services	117,358	21,013	7,272	14,528	5,297	9,483	10,342		105	2,237
P. Education	23,521	1,862	260	1,684	124	586	1,222		1	265
Q. Health and Social Work	56,359	5,724	769	5,110	958	2,015	4,053		4	863
R. Arts, Entertainment and Recreation	31,688	4,152	957	3,474	1,006	2,194	2,286		29	484
S. Other services activities; T. Households; U. Overseas	49,147	3,342	640	2,834	696	1,623	1,908		4	404
Unclassified	18,355	5,372	922	4,576	2,805	3,235	4,148		517	441
All industries	1,429,759	331,938	87,892	266,193	95,779	174,509	187,476	11	4,612	39,592

Updated August 2016

[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 August 2017, which will show Corporation Tax, computation of liability for 2014-15

Table 11.5

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	17,016	2,735	1,687	1,362	390	342	1,409		0	297
B. Mining and Quarrying	1,669	15,336	16,402	9,285	943	3,285	6,943		472	2,605
C. Manufacturing	88,846	41,802	14,814	30,124	7,545	19,717	17,952		73	3,760
D. Electricity, Gas, Steam and Air Conditioning	2,824	13,980	7,473	8,971	1,590	5,953	4,608		24	974
E. Water, Sewerage and Waste,	5,008	5,113	3,205	2,160	970	2,065	1,066		1	226
F. Construction	187,069	20,297	3,971	16,873	6,113	8,383	14,604		-1	3,066
G. Wholesale and Retail Trade, Repairs	188,926	47,416	11,495	38,217	5,092	12,953	30,358		52	6,398
H. Transport and Storage	41,464	14,384	6,714	8,455	1,622	4,739	5,339		12	1,044
I. Accomodation and Food	55,340	8,270	3,099	5,928	2,082	3,734	4,277		-4	912
J. Information and Communication	165,173	30,019	8,100	23,356	4,824	11,720	16,462		99	3,351
K. Financial and Insurance	46,873	79,674	7,448	73,769	45,027	69,208	49,589		1,849	8,772
L. Real Estate	85,083	6,320	877	5,674	9,701	7,475	7,901		19	1,650
M. Professional, Scientific and Technical	323,427	34,785	4,545	31,504	11,063	15,778	26,790		274	5,301
N. Admin and Support Services: O. Public Admin, Defence and Social Services	124,391	24,358	8,546	16,580	5,294	8,973	12,902		101	2,654
P. Education	24,508	2,036	336	1,788	106	589	1,305		0	274
Q. Health and Social Work	61,780	6,330	1,110	5,416	1,151	1,979	4,588		-7	956
R. Arts, Entertainment and Recreation	33,016	4,963	1,227	4,042	1,512	2,918	2,637		30	526
S. Other services activities; T. Households; U. Overseas	49,617	3,521	783	2,876	636	1,425	2,086		-1	433
Unclassified	62,002	6,362	1,276	5,492	3,664	4,780	4,377		415	513
All industries	1,564,032	367,702	103,106	291,872	109,325	186,018	215,192	94	3,409	43,712

Updated August 2016

[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 August 2017, which will show Corporation Tax, computation of liability for 2015-16

Table 11.6 Corporation Tax payable by size of liabilities, 2009-10 to 2014-15

This table presents an analysis of Corporation Tax payable after set-offs by year of liability for companies with accounting periods ending in 2009-10 to 2014-15. It shows the distribution by size of the liability.

Key points:

1. The distribution of companies' tax liabilities is highly skewed. In 2014-15 about 6,900 companies (under 1 per cent) had liabilities of £500,000 or more, between them contributing around 57 per cent of total Corporation Tax payable.

2. Companies with liabilities of less than £10,000 comprised about 64 per cent of the total number of companies liable for corporation tax in 2014-15, but owed only around 6 per cent of the total Corporation Tax payable.

3. In 2014-15, around 60 companies had more than £50 million each in Corporation Tax liabilities (totalling £7.1 billion or 16 per cent of the total Corporation Tax payable). The figures for 2013-14 were around 50 companies paying £6.9 billion or 17 per cent of the total Corporation Tax payable.

4. There was an increase of around 135 thousand in the number of companies with any liability between 2013-14 and 2014-15. 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 2009-10 to 2014-15 [a]

Numbers:actual ; Amounts:£ millions

Amount of tax payable (lower limit) [c] £	2009-10		2010-11		2011-12		2012-13		2013-14		2014-15	
	Numbers [b]	Amount	Numbers [b]	Amount	Numbers [b]	Amount	Numbers [b]	Amount	Numbers [b]	Amount	Numbers [b]	Amount
>0	54,160	0	48,010	1	48,810	1	51,890	2	53,670	2	62,990	2
100	57,770	20	57,290	16	61,050	17	66,800	19	72,000	20	81,500	23
500	47,130	30	48,300	36	51,700	38	56,880	42	61,270	45	68,820	51
1,000	242,760	680	251,380	706	267,430	749	286,600	799	308,990	863	342,260	956
5,000	172,330	1,250	181,160	1,310	192,050	1,393	205,030	1,488	222,640	1,618	247,220	1,798
10,000	242,360	4,870	261,040	5,264	281,230	5,673	303,960	6,123	334,230	6,725	376,290	7,575
50,000	24,710	1,680	26,850	1,826	28,080	1,919	30,600	2,100	33,480	2,297	38,560	2,655
100,000	18,840	3,820	21,070	4,308	22,170	4,511	23,570	4,749	25,190	5,038	28,330	5,604
500,000	2,410	1,670	2,790	1,949	2,870	1,988	2,910	2,019	3,100	2,154	3,340	2,324
1,000,000	2,210	4,550	2,500	5,135	2,450	5,024	2,370	4,811	2,490	5,068	2,720	5,577
5,000,000	350	2,430	380	2,661	350	2,483	370	2,601	340	2,377	390	2,720
10,000,000	330	6,850	370	7,750	360	7,414	350	6,802	330	6,718	370	7,351
50,000,000	70	10,520	90	12,330	80	11,970	60	8,700	50	6,670	60	7,080
All ranges	865,430	38,360	901,230	43,295	958,620	43,178	1,031,370	40,253	1,117,780	39,592	1,252,850	43,712

Updated August 2016

[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 August 2017, which will show Corporation Tax, payable after set-offs by year of liability to 2015-16

Table 11.7 Corporation Tax payable by sector, 2009-10 to 2014-15

This table shows an analysis of Corporation Tax payable after set-offs by year of liability for companies with accounting periods ending in 2009-10 to 2014-15, 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 2014-15 the largest sector in terms of the number of companies with a Corporation Tax liability was the Professional, Scientific and Technical sector with around 283 thousand 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 (152 thousand companies) and the Wholesale and Retail Trade and Repairs sector (146 thousand companies) and the Information and Communication sector (140 thousand companies).

2. In 2014-15 the sector with the greatest growth in percentage terms on 2013-14 in the numbers of companies was the Electricity, Gas, Steam and Air Conditioning sector. There was a 19 per cent increase in the number of companies (from 846 to 1009). However there was a reduction in tax payable in this sector (from £1.1 billion to £974 million).

3. The largest sector by tax payable was Financial and Insurance with £8.8 billion (or 20 per cent) of the total tax payable of £43.7 billion. This was followed by Wholesale and Retail Trade and Repairs (£6.4 billion) and Professional, Scientific and Technical (£5.3 billion).

4. In 2014-15 the sector with the greatest growth in percentage terms on 2013-14 in tax payable was Financial and Insurance which increased 39 per cent from £6.3 billion in 2013-14 to £8.8 billion in 2014-15. The Real Estate sector also saw a large increase on the previous year of 34 per cent (from £1.2 billion to £1.6 billion).

Table 11.7

Corporation Tax

Corporation tax payable after set-offs by year of liability

Classified by industry, financial years 2009-10 to 2014-15 [a b c]

Numbers: actual; Amounts: £ millions

Industry	2009-10		2010-11		2011-12		2012-13		2013-14		2014-15	
	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable	Numbers	Tax Payable
A. Agriculture, Forestry and Fishing	9,122	221	9,586	252	10,243	296	10,850	293	11,071	299	11,576	297
B. Mining and Quarrying	780	4,568	766	5,836	800	6,708	909	4,119	879	2,963	951	2,605
C. Manufacturing	55,631	4,015	56,987	4,714	59,865	4,416	63,142	4,167	63,703	3,920	66,883	3,760
D. Electricity, Gas, Steam and Air Conditioning	315	1,251	374	1,379	488	1,067	671	1,189	846	1,081	1,009	974
E. Water, Sewerage and Waste,	2,341	327	2,612	373	2,802	282	2,976	191	3,184	219	3,350	226
F. Construction	114,818	1,936	117,562	1,966	122,594	2,013	128,838	2,280	138,113	2,571	151,872	3,066
G. Wholesale and Retail Trade, Repairs	113,318	6,227	117,817	6,717	122,339	6,375	129,102	6,475	135,989	6,120	145,562	6,398
H. Transport and Storage	21,589	730	22,104	905	23,482	1,002	26,285	925	29,063	940	32,327	1,044
I. Accomodation and Food	24,753	590	25,511	697	27,529	726	30,068	808	32,625	838	36,882	912
J. Information and Communication	91,784	2,355	95,431	2,834	104,890	3,055	115,160	3,308	124,605	3,458	140,152	3,351
K. Financial and Insurance	24,163	7,892	25,210	7,807	26,321	6,967	28,385	6,641	28,616	6,301	31,676	8,772
L. Real Estate	43,540	864	46,397	1,069	49,944	1,060	54,178	1,140	58,711	1,234	63,702	1,650
M. Professional, Scientific and Technical	178,340	3,541	190,098	4,407	209,664	4,824	233,785	4,354	260,240	4,956	283,385	5,301
N. Admin and Support Services: O. Public Admin, Defence and Social Services	70,866	1,755	74,441	2,015	78,278	2,182	82,343	2,074	90,396	2,237	97,671	2,654
P. Education	12,764	204	13,452	249	14,531	208	16,212	218	18,167	265	19,425	274
Q. Health and Social Work	23,365	496	28,981	638	35,005	682	41,411	784	49,426	863	54,914	956
R. Arts, Entertainment and Recreation	15,608	379	16,534	462	17,938	450	19,635	482	21,473	484	22,915	526
S. Other services activities; T. Households; U. Overseas	33,047	405	32,986	478	34,184	439	35,204	405	37,268	404	38,315	433
Unclassified	29,288	605	24,375	496	17,721	423	12,217	399	13,403	441	50,281	513
All industries	865,431	38,363	901,226	43,295	958,618	43,178	1,031,372	40,253	1,117,777	39,592	1,252,847	43,712

Updated August 2016

[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 August 2017, which will show Corporation Tax, payable after set-offs by year of liability for 2015-16

Table 11.8 Comparison of Corporation Tax payable between 2013-14 and 2014-15

This table shows a cross tabulation of Corporation Tax liabilities for companies who made a tax return in the financial year 2013-14 or 2014-15 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 1.2 million companies with no Corporation Tax liability in 2013-14 and around 1.1 million companies with no liability in 2014-15.

2. This decrease in the number of companies with no liability between 2013-14 and 2014-15 is the result of both companies becoming liable for Corporation Tax after a year of no liability and newly trading companies becoming liable for the first time.

3. Around 892,000 companies had no Corporation Tax liability in either 2013-14 or in 2014-15.

4. Around 947,000 companies had a Corporation Tax liability in both 2013-14 and 2014-15.

Table 11.8

Corporation Tax

Corporation tax payable after set-offs in financial years 2013-14 and 2014-15 [a]
Numbers in each size category of liability [b c d]

Numbers:Actual

Tax payable in 2013-14 (lower limit)	Tax payable in 2014-15 (lower limit) £								
£	0	>0	1,000	5,000	10,000	50,000	100,000	500,000	All ranges
0	891,870	90,250	95,800	52,910	58,640	3,770	2,910	930	1,197,080
>0	64,750	72,950	36,290	7,570	4,800	280	160	30	186,820
1,000	53,780	35,960	146,530	50,050	21,370	730	320	40	308,780
5,000	22,580	7,680	44,010	94,250	52,720	990	380	30	222,640
10,000	23,960	5,500	18,260	41,340	227,870	14,450	3,150	150	334,680
50,000	2,500	330	560	720	9,360	14,460	5,500	130	33,560
100,000	2,280	240	280	260	2,040	3,880	14,930	1,300	25,210
500,000	710	40	50	20	90	110	1,040	4,270	6,320
All ranges	1,062,430	212,950	341,770	247,130	376,880	38,670	28,380	6,880	2,315,080

Updated August 2016

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

[b] Number of companies with a tax liability in either 2013-14 or 2014-15 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 August 2017, which will show Corporation Tax, after set-offs in financial years ending 2015 and 2016

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 2014-15. Table 11.10 shows Capital Allowances due 2009-10 to 2014-15, 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 2014-15 were up £9.4 billion (12 per cent) on 2013-14 to £90.0 billion.

2. By value 86 per cent of the Capital Allowances claims in 2014-15 were in respect of allowances on plant and machinery. These claims have increased by £7.9 billion (11 per cent) from 2013-14.

3. Claims for the other assets category in 2014-15, at £12.9 billion, are up 12 per cent on 2013-14.

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.

5. The Mining and Quarrying industrial sector claimed most in the way of Capital Allowances in 2014-15, with claims of £16.7 billion (or 19 per cent of the total). Other industrial sectors with large overall claims in 2014-15 were Manufacturing (£12.3 billion) and Wholesale and Retail Trade and Repairs (£9.2 billion).

6. Claims for Annual Investment Allowance (AIA) have increased by £4.7 billion (or 45 per cent) to £15.0 billion in 2014-15. The maximum allowance claimable for the 9 months 1 April 2012 to 31 December 2012 was £25,000, and for the period 1 Jan 2013 to 31 March 2014 it was £250,000, therefore there were two rates applicable during the financial year 2012-13. For the period 1 April 2014 to 31 December 2015 it was £500,000.

Table 11.9

Corporation tax

Capital allowances due 1973-74 to 2014-15 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	68,823	57,574	816	10,434	..	..	..
2011-12	74,115	63,106	147	10,863	..	..	..
2012-13	72,439	61,113	5	11,321	..	..	..
2013-14	80,619	69,168	..	11,449	..	..	..
2014-15	89,983	77,104	..	12,878			

Updated August 2016

[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 TA.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 August 2017, which will show Corporation Tax, Capital allowances due to 2015-2016

Table 11.10

Corporation Tax

Capital allowances due 2009-10 to 2014-15[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	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2009-10	2010-11	2011-12	2012-13 [c]	2013-14	2014-15
A. Agriculture, Forestry and Fishing	144	45	-30	98	-3	159	182	258	354	260	527	783	5	3	1	..	n/a	n/a
B. Mining and Quarrying	4,280	3,800	6,059	8,038	10,688	9,972	11	17	19	12	37	64	7	4	1	..	n/a	n/a
C. Manufacturing	7,537	7,021	7,536	7,457	7,582	9,033	680	947	1,174	829	1,751	2,634	408	223	51	..	n/a	n/a
D. Electricity, Gas, Steam and Air Conditioning	4,816	4,735	5,068	5,508	5,847	6,255	4	8	16	16	55	136	51	32	4	..	n/a	n/a
E. Water, Sewerage and Waste,	2,820	1,762	1,669	1,921	2,392	2,567	52	77	100	71	163	267	87	46	4	..	n/a	n/a
F. Construction	1,064	555	1,894	599	429	769	539	677	802	694	1,121	1,632	23	11	2	..	n/a	n/a
G. Wholesale and Retail Trade, Repairs	6,692	6,020	5,945	6,044	5,845	6,272	848	1,133	1,309	996	1,762	2,445	73	41	9	..	n/a	n/a
H. Transport and Storage	3,782	3,516	3,378	4,242	5,111	4,246	260	366	458	326	722	1,142	473	266	36	..	n/a	n/a
I. Accomodation and Food	1,353	1,263	1,307	1,272	1,298	1,434	240	326	373	297	547	798	172	103	20	..	n/a	n/a
J. Information and Communication	6,033	6,136	5,959	5,401	5,807	5,702	249	337	403	328	548	728	9	7	2	..	n/a	n/a
K. Financial and Insurance	9,289	7,844	7,381	5,523	4,747	5,953	86	123	141	98	212	320	34	13	2	..	n/a	n/a
L. Real Estate	456	294	320	349	314	418	69	95	116	96	165	224	25	13	3	..	n/a	n/a
M. Professional, Scientific and Technical	1,575	2,054	1,435	1,483	1,968	1,530	394	520	627	551	875	1,149	32	18	5	..	n/a	n/a
N. Admin and Support Services: O. Public Admin, Defence and Social Services	4,093	4,517	5,857	5,587	5,208	5,733	390	527	645	498	960	1,425	12	11	2	..	n/a	n/a
P. Education	116	71	35	59	63	100	54	70	72	63	98	119	1	0	0	..	n/a	n/a
Q. Health and Social Work	273	231	273	277	242	413	120	168	196	165	262	347	1	0	0	..	n/a	n/a
R. Arts, Entertainment and Recreation	529	482	491	503	480	577	105	141	167	133	231	315	59	4	1	..	n/a	n/a
S. Other services activities; T. Households; U. Overseas	217	178	250	170	134	169	124	158	179	145	223	277	3	2	1	..	n/a	n/a
Unclassified	1,070	1,074	1,095	985	708	815	28	29	31	18	49	182	34	18	2	..	n/a	n/a
All industries	56,139	51,594	55,922	55,518	58,860	62,117	4,435	5,980	7,184	5,595	10,308	14,987	1,511	816	147	5	n/a	n/a

Amounts: £ millions

Type of Asset	Other assets						All assets					
Industry	2009-10	2010-11	2011-12	2012-13	2013-14	2013-14	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
A. Agriculture, Forestry and Fishing	27	33	16	19	16	25	359	339	341	377	540	967
B. Mining and Quarrying	4,506	4,623	5,291	5,445	5,772	6,625	8,804	8,445	11,370	13,495	16,497	16,661
C. Manufacturing	710	573	500	510	592	594	9,335	8,764	9,261	8,799	9,925	12,260
D. Electricity, Gas, Steam and Air Conditioning	168	338	432	552	656	948	5,039	5,112	5,521	6,076	6,558	7,339
E. Water, Sewerage and Waste,	90	75	89	100	123	132	3,050	1,961	1,862	2,092	2,679	2,966
F. Construction	18	30	31	39	45	48	1,644	1,272	2,730	1,332	1,595	2,449
G. Wholesale and Retail Trade, Repairs	271	437	373	476	550	444	7,884	7,630	7,637	7,517	8,157	9,162
H. Transport and Storage	148	175	326	361	141	321	4,663	4,323	4,198	4,929	5,974	5,709
I. Accomodation and Food	34	108	134	100	97	106	1,800	1,800	1,834	1,669	1,942	2,338
J. Information and Communication	970	905	788	922	798	953	7,261	7,386	7,153	6,651	7,153	7,383
K. Financial and Insurance	1,057	1,263	1,321	989	1,031	1,128	10,465	9,243	8,845	6,609	5,991	7,401
L. Real Estate	9	9	13	10	22	19	558	411	452	455	502	661
M. Professional, Scientific and Technical	710	969	841	1,099	985	785	2,712	3,560	2,908	3,133	3,828	3,465
N. Admin and Support Services: O. Public Admin, Defence and Social Services	196	535	401	353	376	524	4,691	5,589	6,905	6,438	6,544	7,682
P. Education	2	6	5	4	6	3	172	147	112	126	166	222
Q. Health and Social Work	5	6	10	14	12	11	399	405	479	456	516	771
R. Arts, Entertainment and Recreation	10	17	11	28	26	32	704	645	670	665	737	924
S. Other services activities; T. Households; U. Overseas	69	60	66	76	73	72	412	398	495	391	429	517
Unclassified	121	271	214	225	129	107	1,253	1,392	1,343	1,228	886	1,105
All industries	9,120	10,434	10,863	11,321	11,449	12,878	71,205	68,823	74,115	72,439	80,619	89,983

Updated August 2016

[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 August 2017, which will show Corporation Tax, Capital allowances due, by industry, to 2015-16

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 North Sea oil and gas extraction or oil rights, known as 'ring fence' companies. These companies are also subject to a supplementary tax charge on their ring fence profits.

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

Payment and assessment arrangements

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

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.
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.

Date	Corporation Tax changes
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.

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.

The Bank Levy

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

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

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

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

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

Bank Levy Rates

The rates are:

01 January 2011 – 28 February 2011

0.5% for short-term chargeable liabilities and 0.025% for long-term chargeable equity and liabilities.

01 March 2011 – 30 April 2011

0.1% for short-term chargeable liabilities and 0.05% for long-term chargeable equity and liabilities.

01 May 2011 – 31 December 2011

0.075% for short-term chargeable liabilities and 0.0375% for long-term chargeable equity and liabilities.

01 January 2012 – 31 December 2012

0.088% for short-term chargeable liabilities and 0.044% for long-term chargeable equity and liabilities.

01 January 2013 – 31 December 2013

0.130 % for short-term chargeable liabilities and 0.065% for long-term chargeable equity and liabilities.

01 January 2014 -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

0.18% for short term chargeable liabilities and 0.09% 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 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 CT and PAYE receipts from the Banking Sector were published for the first time on 31 August 2011. The latest publication is available on the HMRC National Statistics website:

https://www.gov.uk/government/collections/paye-and-corporation-tax-receipts-from-the-banking-sector

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 CT rate, resulting in some companies being counted as 'small profits rate' on average even if some parts of their activity would be taxed at the higher rate.

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

Potential sources of error

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

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

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

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

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

Annex 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.

CT Liabilities

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

CT Receipts

The amount of Corporation Tax collected by HMRC.

Main Rate

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

Mainstream Corporation Tax (MCT)

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

Marginal Relief (previously known as Marginal Small Companies Relief)

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

North Sea 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), therefore not all receipts and liabilities come from activities exclusively in the North Sea. See: https://www.gov.uk/guidance/oil-gas-and-mining-ring-fence-corporation-tax

Quarterly Instalment Payments (QIPs)

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

Set-offs

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

Small Companies' Rate (SCR)

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

Small Profits Rate (SPR)

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

Starting Rate

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

Summary Trade Classification (STC)

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

Trust Statement

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

Annex D: The 2014-15 Corporation Tax rate structure

Corporation Tax payable under marginal relief: calculated example.

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

Marginal relief is calculated using the standard fraction, which for 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 current main rate of Corporation Tax).

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