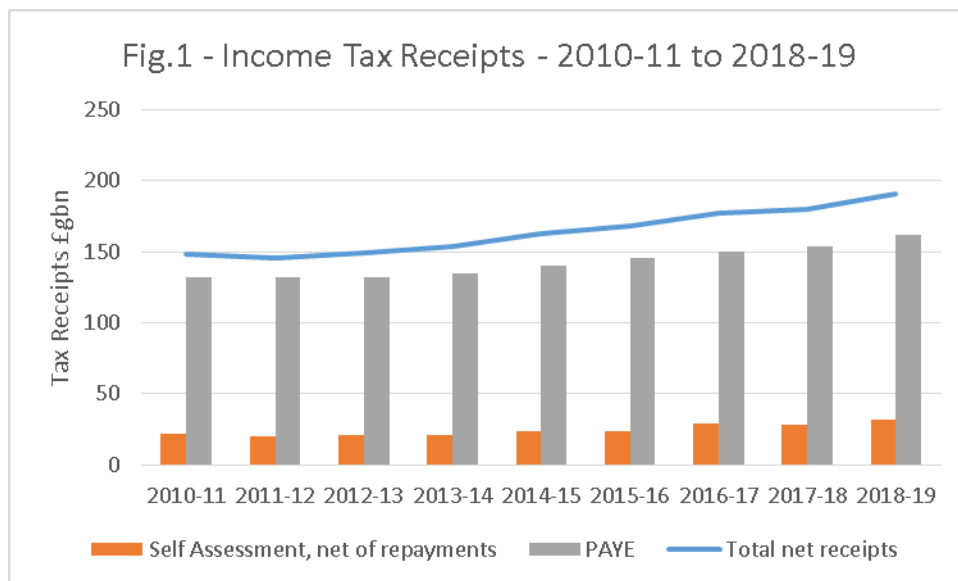




Key points

- Total net Income Tax receipts in 2018-19 are estimated to be £191.0 billion, 6.10% higher than in 2017-18.
- Pay As You Earn (PAYE) Income Tax receipts for 2018-19 are estimated to be £161.9 billion, 4.95% higher than the previous year.
- Self-Assessment Income Tax receipts for 2018-19 are estimated to be £31.5 billion, 11.39% higher than the previous year.
- Income Tax repayments in 2018-19 are estimated at £7.1 billion.



About this release

- This publication provides figures for annual Income Tax receipts and Income Tax credits and repayments (other than those made through Self-Assessment). Receipts are shown according to the way in which tax is collected (through PAYE, Self-Assessment etc.) Repayments and tax credits are broken down where possible.
- Tables in this publication cover the years 2007-08 to 2018-19.



Website: <https://www.gov.uk/government/collections/income-tax-receipts-statistics>
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Related publications

- Users of the Income Tax Receipts statistics may also be interested in:
- **Personal Incomes statistics** - tables containing summary information about individuals who are UK taxpayers, their income and the Income Tax to which they are liable (<https://www.gov.uk/government/collections/income-tax-statistics-and-distributions>)
- **Pay as you earn Income Tax deducted from pay by industry** – tables containing percentage distribution of Income Tax deducted from pay, by industry sector (<https://www.gov.uk/government/collections/income-tax-deducted-from-pay-by-industry-statistics>)

Commentary

Income Tax Receipts

Table 2.8 provides a breakdown of net receipts of Income Tax by type of receipt and total repayments. It shows total net Income Tax receipts from 2007-08 to 2018-19. Total net receipts are now at their highest ever level. The overall increase since 2008-09 to 2018-19 is 29.25%.

Pay As You Earn (PAYE) figures include all receipts of tax collected from employers or pension schemes under PAYE. They include some payments of tax on investment income or in respect of income from previous years coded out under PAYE (these amounts are not separately distinguished). PAYE receipts also include deductions from sub-contractors made under the Construction Industry Scheme (CIS).

Between 2010-11 and 2011-12 net Income Tax receipts fell by 1.7% (or £2.6 billion) largely due to lower Self-Assessment receipts. The lag in the Self-Assessment payment regime means that receipts in 2010-11 and 2011-12 relate largely to liabilities for 2009-10 and 2010-11 respectively. The introduction of the 50% additional rate of Income Tax in 2010-11 had a major effect on the behaviour of taxpayers with incomes above the additional rate threshold of £150,000 with large amounts of income forestalling, i.e. income brought forward into 2009-10 from later years in order to be taxed at 40% before the 50% rate came into effect. Self-Assessment Income Tax liabilities were therefore inflated in 2009-10 and depressed in 2010-11 as the effects of forestalling started to unwind. This then boosted receipts in 2010-11 and depressed them in 2011-12.

Since 2011-12, Income Tax receipts have continued to grow, largely driven by strength in PAYE Income Tax. The rate of growth of PAYE Income Tax has increased in the last three years.

In the 2017-18 tax year (July 2017 onwards), HMRC introduced a new system that uses information from the customer, as well as Real-Time Information provided by employers and pension providers, to review customers' liabilities more frequently 'in-year' to adjust tax codes throughout the year. This 'In year coding' will increase the likelihood of a customer ending the year not owing, or being owed tax. For Income Tax receipts, that means tax would be collected earlier than it might have done previously, and will also reduce the likelihood of some repayments.

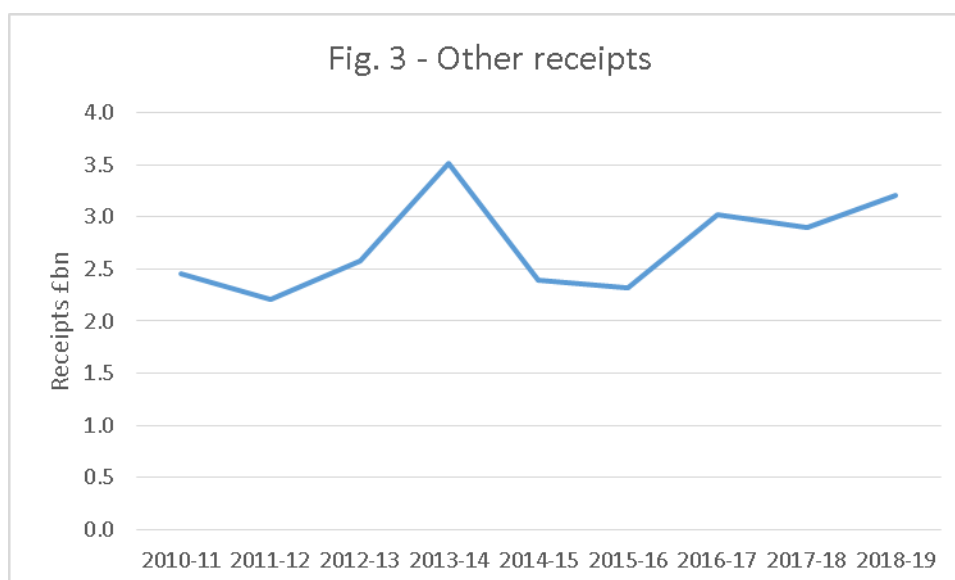
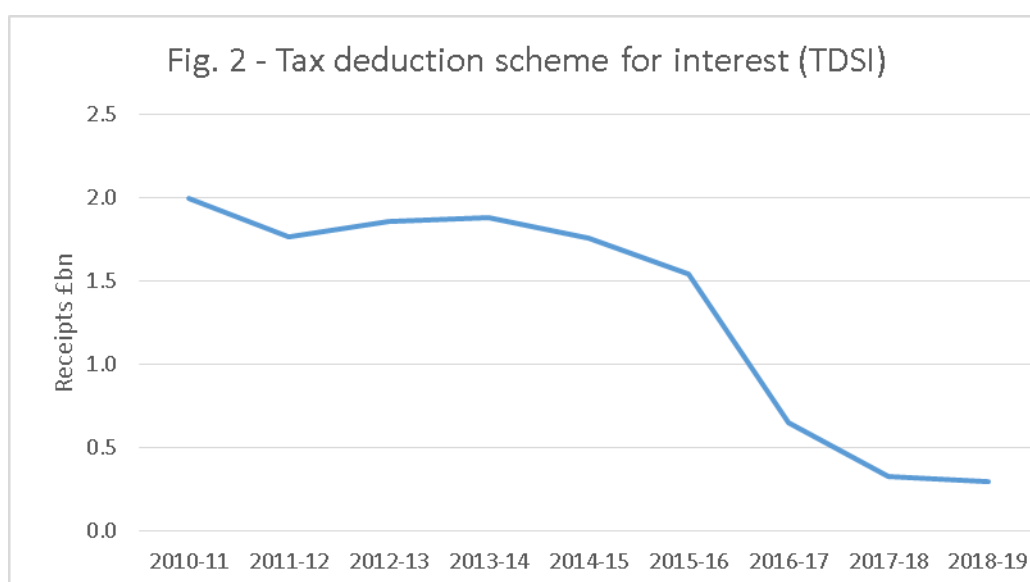
Self-Assessment tax receipts increased from £24.3 billion in 2015-16 to £29.3 billion in 2016-17 (an increase of 20.4%). This large increase is likely driven by changes to dividend taxation rules.

Figures 2 and 3 show some key components of gross Income Tax receipts.

- Tax Deducted Scheme for Interest – Figure 2: Until April 2016, banks and building societies deducted tax at a rate of 20% from interest paid on accounts unless the investor was not liable to pay tax and had registered to receive interest gross. They also deducted Income Tax from their annual payments, such as interest on bonds and debentures. They then paid the Income Tax deducted to HMRC. Since April 2016,

Banks and building societies have stopped deducting tax from account interest. Some non-interest payments, which are taxable, will still be deducted.

- Other Receipts – Figure 3: This covers all tax deducted at source other than under PAYE and TDSI. There are two main types; (1) interest on securities paid by the Bank of England or other paying agents, who pay the tax direct to HMRC (recipients of the interest are credited with the tax deducted), (2) Income Tax payments equivalent to TDSI but made by companies other than banks. Other Receipts also includes receipts from investigation settlements and Income Tax payments which could not be allocated to a particular category.



Income Tax Credits and Repayments

Table 2.9 provides a breakdown of Income Tax repayments by type.

A repayment occurs when a taxpayer has paid too much tax to HMRC. Over payments may happen for a number of reasons, for example when people move in and out of work or receive

changes to taxable benefits. Further information about tax repayments and ways of reclaiming overpaid tax is available on the HMRC website.¹

Repayments increased in 2018-19 from £6.9bn to £7.1bn, an increase of £0.17bn (2.4%).

Figure 4 – Repayments, other than Self-Assessment

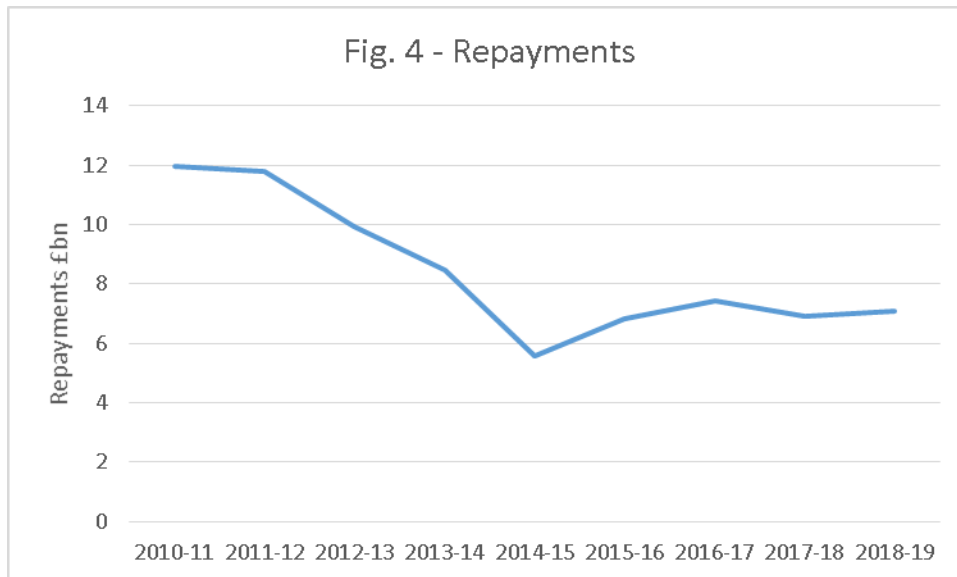


Figure 4 shows total non-Self-Assessment repayments.

Repayments dipped in 2009-10 due to delays to the PAYE 'end of year reconciliation' for 2008-09 linked to the introduction of a new PAYE administrative system (the National Insurance and PAYE Service, or NPS). Repayments then rose sharply in 2010-11 and 2011-12, reflecting the catch up from the initial NPS delays, the further speeding up of the end of year reconciliation process, and the greater accuracy of this process bringing more overpayments to light and therefore generating more repayments. The figures for 2011-12 and 2012-13 also reflect the clearance of a longstanding backlog of cases for tax years before 2007-08.

Repayments have fluctuated over recent years. Growth in repayments due to personal pensions' contributions has been offset by reductions in repayments to individuals. Generally we might expect overall repayments to increase as receipts increase. Repayments for 2018-19 are only slightly larger than those of 2017-18, and down on those from 2016-17.

¹ <https://www.gov.uk/claim-tax-refund>

2.8

Income tax receipts: analysis by type 2007-08 to 2018-19

	£ million					
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Receipts other than self assessment	135,269	136,771	128,134	137,800	137,689	138,445
<i>of which:</i>						
PAYE	126,760	128,470	122,584	132,263	132,189	132,433
Assessed income tax	208	198	130	80	60	69
Tax deduction scheme for interest (TDSI)	4,134	4,365	2,676	1,994	1,763	1,860
Other tax deducted at source	1,564	1,615	1,190	1,003	1,463	1,504
Other receipts	2,603	2,122	1,554	2,460	2,215	2,579
Self Assessment, net of repayments ¹	22,443	22,531	21,708	22,108	20,334	20,550
Repayments other than self assessment ^{2,3}	-5,974	-5,861	-4,961	-6,417	-7,084	-6,965
Total net receipts ⁴	151,737	153,441	144,881	153,491	150,939	152,030

	£ million					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Receipts other than self assessment	141,745	145,036	150,985	155,216	158,664	166,596
<i>of which:</i>						
PAYE	134,686	139,506	145,652	149,751	154,266	161,909
Assessed income tax	87	154	145	202	195	207
Tax deduction scheme for interest (TDSI)	1,879	1,755	1,543	648	328	297
Other tax deducted at source	1,579	1,223	1,320	1,596	974	970
Other receipts	3,515	2,399	2,325	3,018	2,901	3,213
Self Assessment, net of repayments ¹	20,854	23,645	24,327	29,293	28,294	31,518
Repayments other than self assessment ^{2,3}	-5,702	-5,572	-6,861	-7,443	-6,910	-7,083
Total net receipts ⁴	156,897	163,109	168,451	177,065	180,048	191,031

¹ Income tax element only (see notes)

² Including payments of tax credits

³ Exclusive of Public Expenditure (see notes)

⁴ Totals may not equal the sum of their components because of rounding



2.9

Income tax credits and repayments ^{1, 2, 3, 4, 5}: analysis by type 2007-08 to 2018-19

Amounts: £ million

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Income tax credits	27	17	16	10	8	8
<i>of which:</i>						
MIRAS	2	0	0	0	0	0
LAPRAS	25	17	16	10	8	8
Other	-	-	-	-	-	-
Repayments	5,947	5,844	4,945	6,407	7,076	6,957
<i>of which:</i>						
Individuals	2,250	2,100	1,500	3,050	3,900	3,550
Personal pension contributions	2,263	2,206	1,877	1,679	1,615	1,805
Pension funds and insurance companies	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Charities	889	912	922	978	1,027	1,049
Overseas	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Personal Equity Plans/Individual Savings Accounts	152	157	152	162	173	169
Other	400	450	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Total tax credits and repayments	5,974	5,861	4,961	6,417	7,084	6,965

Amounts: £ million

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Income tax credits	7	7	2	0	0	0
<i>of which:</i>						
MIRAS	0	0	0	0	0	0
LAPRAS	7	7	2	0	0	0
Other	-	-	-	-	-	-
Repayments	5,695	5,565	6,859	7,443	6,910	7,083
<i>of which:</i>						
Individuals	2,700	2,400	3,250	4,100	3,100	2,784
Personal pension contributions	1,506	1,621	1,862	1,527	1,908	2,248
Pension funds and insurance companies	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Charities	1,060	1,190	1,260	1,270	1,260	1,353
Overseas	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Personal Equity Plans/Individual Savings Accounts	167	169	160	160	30	8
Other	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Total tax credits and repayments	5,702	5,572	6,861	7,443	6,910	7,083

1 Including payments of tax credits

2 Excluding repayments made via Self Assessment system

3 Totals may not equal the sum of their components because of rounding

4 Exclusive of Public Expenditure

5 The estimates for these categories have become unreliable and so are not shown separately

