Income Tax Receipts Statistics
Supporting documentation

HM Revenue & Customs

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Website: www.gov.uk/government/collections/charitable-donations-and-tax-reliefs-statistics
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About these statistics

This is a National Statistics publication produced by HM Revenue & Customs using receipts information from HMRC's administrative systems. For more information on National Statistics and governance of statistics produced by public bodies please see the UK Statistics Authority website:

http://www.statisticsauthority.gov.uk/.

The tables in this publication show aggregated Income Tax receipts, repayments and tax credits figures on an annual basis.

New or Updated Statistics in this release

These statistics were published on 30 August 2019. Statistics for 2019-20 will be published in August 2020 (following publication of the 2019-20 Trust Statement, timing to be confirmed).

What is Income Tax?

Income Tax is a tax on an individual's income over the course of a tax year (6th April to 5th April the following year). Income Tax is the UK Government's largest single source of tax revenue.

The amount of Income Tax an individual should pay, their tax liability, is determined by a number of factors including: their level of income, the type of income and the level of allowance to which they are entitled, and where in the UK they are located (as some aspects of Income Tax have been devolved).

For more information about the Income Tax liability of an individual see the Income Tax liabilities statistics bulletin. Further information is also available on the HMRC website.

Income Tax is collected by HM Revenue and Customs (HMRC). The way in which Income Tax is collected is dependent on the type of the income an individual has and the total income of that individual.

For most individual taxpayers, Income Tax on employment income or occupational pensions is collected through Pay As You Earn (PAYE) where Income Tax is calculated and deducted from the taxpayer's pay or pension before being paid over directly to HMRC by the employer or pension provider.

Until April 2016, tax on savings income was deducted at source by banks or building societies at the basic rate, with additional Income Tax due for higher and additional rate taxpayers being collected either through PAYE (via a change in tax code) or through Self-Assessment. From 6 April 2016, the Personal Savings Allowance means that basic rate taxpayers can receive up to £1,000 in savings Income Tax-free (£500 for Higher Rate taxpayers). Banks and building societies have stopped deducting tax from account interest – any Income Tax due for higher and additional rate taxpayers is to be collected either through PAYE (via a change in tax code) or through Self-Assessment. Some non-interest payments, which are taxable, will still be deducted from accounts however. Additionally, this change will cause a reduction in repayments made to individuals due to PEP/ISA.

Taxpayers with high levels of income, the self-employed and others with income outside the scope of PAYE are required to pay any additional tax due through Self-Assessment (SA). Further information about the types of Income Tax received by HMRC is provided in Section 2 of this publication.

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.

What is the difference between Income Tax receipts and Income Tax liabilities?

In addition to the tax receipts statistics published here, there is a separate publication on Income Tax liabilities. Liabilities are amounts of tax due on incomes arising in a given tax year, whereas receipts show amounts paid and collected in a given year. Due to lags in the Income Tax payment regimes, particularly for Self-Assessment, liabilities and receipts for the same year can differ significantly. Liabilities and receipts will also differ for other reasons, for example when over or underpayments occur which are repaid or recovered in a later year altering total receipts in that year in a way unrelated to tax liabilities for that year. Moreover the methods for producing Income Tax receipts and liability statistics are different (receipts statistics are based on administrative data sources whereas liability statistics are compiled using a sample of tax return data).

If you require statistics about how much tax is actually paid and collected by HMRC in any given tax year, or information on how the tax has been collected, then the information you require is contained within this publication. The nature of how Income Tax is collected means it is not possible to analyse receipts by taxpayer characteristics, for example, by taxpayer's marginal tax rate, age or gender. However, these analyses are possible through modelling of Income Tax liabilities based on a representative sample of taxpayers using administrative data. If you require detailed breakdowns of Income Taxpayer numbers and the distribution of tax liabilities across taxpayers and tax bands, then you should look at statistics on tax liabilities. These statistics on tax liabilities also reflect more closely and directly than tax receipts the impact of changes in the tax regime and in the wider economy.

What information does this publication cover?

This publication shows annual Income Tax receipts and Income Tax credits and repayments (other than those made through Self-Assessment). Receipts are disaggregated according to the way in which tax is collected (through Pay As You Earn, Self-Assessment etc). Repayments and tax credits are broken down by type where possible. Tables in this publication currently cover the years 2007-08 to 2018-19.

Who might be interested in this publication?

These tables are likely to be of interest to policy makers in government, academics, think-tanks and other research bodies and journalists. They would be of use to individuals or organisations interested in total Income Tax receipts, and the breakdown of receipts by method of collection.

Methodology

Methodology and Data Sources

Data used in the Income Tax receipts tables comes from HMRC departmental administrative sources. PAYE receipts come from the BROCS system (Business Review of the Collection Service) for all years up to and including 2012-13. From 2013-14 PAYE receipts come from a different PAYE accounting system (the Enterprise Tax Management Platform, or ETMP), linked to the Real Time Information (RTI) programme.

Self-Assessment receipts come from the HMRC system SAMAS (Self-Assessment Management Accounting System). Other components come from the HMRC system SAFE (Strategic Accounting Framework Environment).

Data is extracted from the relevant systems. Some adjustments are applied to data extracted from the systems in order to identify the Income Tax component:

PAYE: receipts for PAYE IT and NIC1 are collected through the same system and are not separately identifiable on the payment information. HMRC collects pay period information from Employers through RTI. Payments are then posted against pay period liabilities. The IT and NIC split of postings for previous month is then applied to payments for current month.
Self-Assessment: receipts include Income Tax, capital Gains Tax and Class 2 and 4 NICs. Money paid via Self-Assessment covers Income Tax, Capital Gains Tax and Class 2 and 4 NICs. Receipts for each of these heads of duty are not identified separately, instead they are apportioned based on the split of liabilities. This split of receipts is fixed for the Trust Statement.

Preliminary estimates for the latest year are published in April. These are based on the estimated end year receipts position, with forecasted values being used where final receipts positions are unknown, where values are not final this will be indicated in the statistical tables. The HMRC Trust Statement is published during July. These statistics broadly align with HMRC Trust Statement. For 2016-17 and 2017-18, some accounting adjustments which apply to the Trust Statement are not reflected here.

Statistics are based on data from major HMRC administrative systems plus data published in the Trust Statement, which are subject to high levels of scrutiny and audit. The data sources used to produce the Income Tax receipts statistics are also used to monitor tax receipts and they are used to produce other published HMRC statistics (HM Revenue and Customs receipts).

Rounding

Figures in the tables are rounded to the nearest £1 million.

Quality

National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

The quality of these statistics is assessed against the six European Statistical Service dimensions of quality developed by Eurostat to ensure they are appropriate for publication. A summary of adherence with each dimension follows.
http://www.ons.gov.uk/ons/guide-method/method-quality/quality/guidelines-for-measuring-statistical-quality/index.html

Relevance

Understanding ways in which statistics are used
HMRC are always keen to find out more about the users of these statistics.

Uses for source data
The primary purpose for collecting data through HMRC administrative sources is to ensure that taxpayers are paying the correct amount of tax. HMRC's policy on the use of administrative data for producing statistics is set out at HMRC Statement of Administrative Sources

Accuracy

Coverage of statistics
The statistics in this publication only cover those receipts and repayments for which it is possible to make an accurate assessment. The underlying data is subject to various types of checking depending on the data source.

For Income Tax receipts and repayments, Quality Assurance processes are designed into the operational systems that collect the data and further quality checks are added by analysts using the data for analytical purposes. These checks include manual and automated checking processes. In addition, further checking is applied during the process of calculating the statistics published and reasonableness checks are carried out when new statistics are produced (are they in line with previous figures, are they what one would expect given what has happened since, are there plausible explanations for changes).

Timeliness and punctuality
This will differ for different taxes and different data sources.

Accessibility and clarity

Restrictions on access to data – tax payer confidentiality
Statistics are compiled using aggregated data.

Comparability

Tax regime changes
Changes to tax rates, and rules around requirements to complete tax returns can mean that comparing year-on-year should be done with caution. Where possible, such changes are highlighted in the commentary around these statistics.

Back series available
Annual data is published in this release up to a period of 2007-08.

User engagement

We are committed to providing impartial quality statistics that meet our customers' needs. Feedback from users is welcome at any time, and you can contact the responsible statistician using the details on the front of this publication.

HMRC Data Availability and Access Enquiries
Any enquiries in accessing HMRC data should be directed to HMRC data lab. More information on availability of HMRC data and how HMRC data can be accessed can be found on the gov.uk website here.
Email: HMRC Datalab

Other Requests
Under the Freedom of Information Act (FOIA) any individual can request recorded information held by public sector organisations.

An individual may not need to make a Freedom of Information (FOI) request to get the information.

An organisation might be able to give you information straight away, including over the phone. You can also check published responses to FOI requests.

Publication and revision strategy

The data is scheduled to be released once a year with updates to all tables in August. The commentary in this bulletin will be updated at the same time as the tables it refers to. Release dates are announced on the UK Statistics Hub. Any delays to the publication date will be announced on UK Statistics Hub.

Estimates for 2018-19 are considered final in this publication. Figures will otherwise be revised only if an error is discovered or late adjustments occur as a result of the Trust Statement. In this release, previous years have not been revised. These figures reflect those reported in HMRC's Annual Accounts and Trust Statement published on 18 July 2019.

Glossary

Administrative data	Administrative data is statistical data from one or more administrative sources, and generally refers to data that is routinely generated for running a particular system (the tax system in this case).
Base year	A base year is the year used for comparison in a time series index. Often the first year of a data series is the year used for comparison. The base year is usually set to 100 so that percentage changes can be easily depicted.
Basic Rate	The percent of income paid as tax on income above a set minimum income threshold. This is different from the applicable marginal tax rate which is the tax rate applicable on the last pound. In the UK the basic rate is 20%.
Capital Gains Tax	A tax levied on the increase in value of assets. Capital gains are the profits that are realized when a capital asset is sold for a price that is higher than the purchase price. Capital gains taxes are triggered when an asset is sold, not while it is held by an individual.
CESA (Computerised Environment for Self-Assessment)	HMRC's computerised system for administering Self-Assessment.
Covenant (also called a deed of covenant)	A scheme where an individual (the donor) signs a deed of covenant under which they promise to pay to a charity a sum net of Income Tax for a specified time period. The charity in turn reclaims, the tax deducted from the payments it receives.
CPM (Common Process Manual)	Sets out how calculations are implemented in CESA.
GDP	The monetary value of all the finished goods and services produced within a country's borders in a specific time period, usually yearly. It includes all of private and public consumption, government expenditure, investments and exports less imports that occur within a defined territory.
Gift Aid	Gift Aid is a UK tax incentive that enables tax-effective giving by individuals to charities in the United Kingdom. Any cash donations made by a taxpayer to be treated as being made after deduction of Income Tax at the basic and the charity can reclaim the Basic Rate Income Tax paid on the gift from HMRC.
Gift Aid Small Donations Scheme (GASDS)	GASDS is an analogue of Gift Aid for small cash donations where it would be impracticable for the charity to provide donor details. It is classed as public expenditure rather than a tax relief

Higher Rate / Additional Rate	The difference between a basic and higher rate taxpayer is level of income. All UK residents in 2016-17 got a tax-free personal allowance of £11,000. They then paid 20% tax on the next £32,000 (basic rate tax), and 40% tax on any income in excess of this (higher rate tax). When income exceeds £150,000 they then paid an additional 5% of Income Tax (45%- Additional Rate)
Household sector (ONS)	The household sector comprises all individuals in an economy who are living in traditional households as well as those living in institutions such as retirement homes and prisons. The sector also includes sole trader enterprises (the self-employed) and non-profit institutions serving households (NPISH). Examples of the latter include trade unions, universities and charities.
Income Tax	Is a tax that financial income generated by all entities within their jurisdiction. Income Tax applies to individuals whist companies will pay corporation tax. Most Income Tax is paid through PAYE; however individuals with more complex tax arrangements may use Self-Assessment (SA) to pay Income Tax.
Inheritance Tax (IHT)	A tax on the value of a person's estate on death and on certain gifts made by an individual during their lifetime.
Non-profit institutions serving households sector (NPISH)	The sector non-profit institutions serving households (NPISHs) consists of organisations financed by voluntary transfers in cash or in kind from other institutional units for example charities, relief organisations and social, cultural, recreational and sports clubs
Office for Budget Responsibility	The Office for Budget Responsibility was created in 2010 to provide independent and authoritative analysis of the UK's public finances. They produce forecasts for the economy and public finances, judge progress towards the Government's fiscal targets, assess the long-term sustainability of the public finances and scrutinise the Treasury's costing of Budget measures.
Payroll Giving	Payroll Giving allows an individual to make donations to charity directly from their pay or company/personal pension. Donations are made after your National Insurance contributions but before Income Tax is worked out and deducted. Because of this tax is only paid on what's left.
Payroll Giving agencies	Organisations that are approved and monitored by HM Revenue & Customs for the purposes of administrating of Payroll Giving.
'Qualifying' charity	A qualifying organisation that is recognised as a charity for tax purposes by HM Revenue & Customs (HMRC). You can check this by asking the charity to confirm that it has an HMRC charity reference number.
Self-Assessment	Self-Assessment involves completing a tax return each year. It shows income and capital gains (profits on the sale of certain assets) and allows tax allowances or reliefs to be claimed using the Self-Assessment tax return.

Time lag	A time lag is where the result of an event occurs sometime after the event. For example in IHT the tax paid occurs sometime after the date of death due to the legal procedures which need to happen.
Transitional Relief	Is a 2% top up on the rate of tax, repaid to the charities resulting in the charities continuing to receive the tax repayment at 22%. Transitional Relief ran for three years and applied to all donations made between 6 April 2008 and 5 April 2011. As claims may result from donations made in past years, some residual Transitional Relief will be paid after 5 April 2011, but only on donations made before (or on) that date
Volatile / Volatility	Measures how dispersed a series is over time. A high volatility means that values will potentially be spread over a larger range of values. A lower volatility means that the value of the series does not fluctuate dramatically. This means that time series with a high volatility can change dramatically over a short time period.