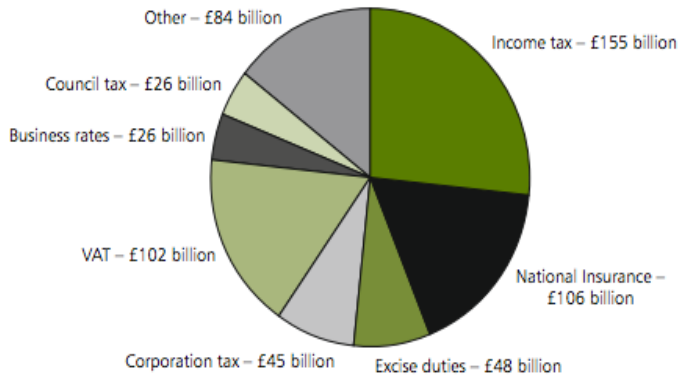


What's the UK government's income?

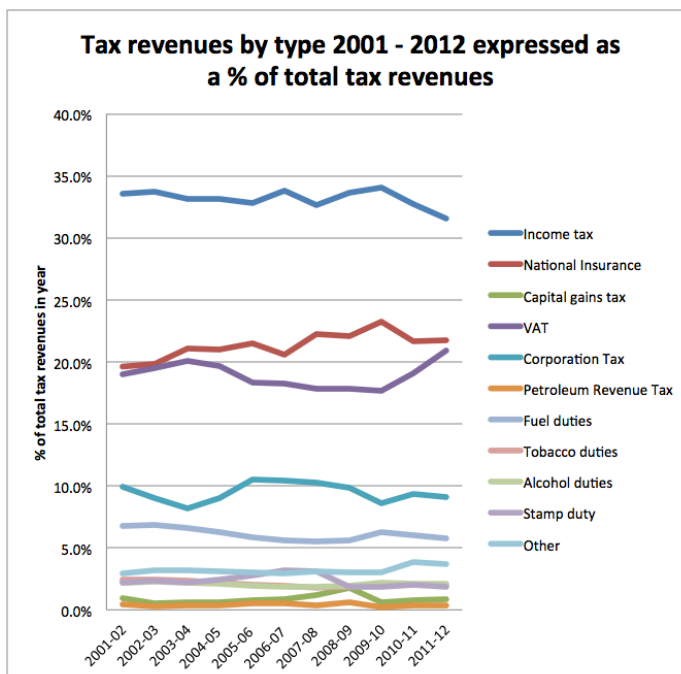
- The tax that the UK government hopes to collect in 2012/13 tax year is as follows:



Source : HM Treasury, Budget

UK taxes on income and profits have fallen but VAT has increased sharply, increasing the overall tax burden on lower income families

- Expressed as a percentage of total tax revenues the various taxes raised by H M Revenue & Customs and its predecessors from 2001 onwards have been as follows:



- Revenues from income tax, national insurance and corporation tax have all fallen since 2009, mainly due to the recession in financial services. VAT has been increased considerably to compensate, increasing the tax burden on ordinary people.

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TRUK FAQ2

Commentary

It is often implied during the course of debate on tax issues that income tax is the be-all and end all of the governments income and all policy must be designed around it - and those who pay a lot of it.

This FAQ sheet shows first of all that this is not true. Income tax is our biggest revenue earning tax but is only a just over a quarter of the government's income.

Second, it's importance amongst taxes (the lower table excludes "other" government income which is why the data looks different) has been declining, especially during the current recessions. VAT's importance has been rising during the recession.

The impact is clear: the tax paid by the best off has fallen and that paid by the rest has risen of late, and that's one reason why we are still in recession.

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Frequently asked questions

What's the UK government's income?