

FAQ: what's the UK governments income?

Published: January 13, 2026, 3:06 am

I've put this [FAQ sheet up on the site this morning](#):

Time and again I hear comment that implies 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's 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.