

Funding the Future

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HMRC have just published data on tax receipts for 2013. Playing with their spreadsheet for just a few minutes I came up with the following information showing total yields for 2012 and 2013 calendar years and percentage changes:

Although total income tax went up 4.65% that from PAYE only rose 1.1% reflecting in large part poor wage increases. Someone, somewhere, is however making a lot of investment income is the obvious conclusion to explain the overall rise and the modest level of SA income tax, likely to mainly relate to self employment, but they're not making capital gains, where the yield fell.

The cut in tax credits is I suspect self explanatory. The rise in NIC is partly due to rates, but VAT is the big story: the rate was 20% in both these years and the increase must, therefore, given near static earnings for many, reflect extra borrowing.

In the meantime business contributed almost nothing more, but that's by design.