

HMRC's tax yield in 2013/14 was worse than 2012/13

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I have [already mentioned the political furore slowly developing over HMRC's bogus claims of compliance tax yield this morning](#), but I also think it important to point out that the claim that this is increasing also has inherent problems within it.

My evidence is from [HMRC's 2013/14 annual report](#). The first claim I want to refer to is this:

So that's £505.8 billion of revenue in 2013/14 and £475.6 in 2012/13.

Then there's this on compliance yield:

[As I've already noted](#), only cash counts, so that the relevant figures are £9.182 billion in 2013/14 and £8.975 billion in 2012/13.

The first thing to note is that CPI to March 2014 was 1.6% but on a heavily downward trend: during most of the year it had been over 2% and in September 2013, a fair mid year measure for comparison purposes, had been 2.7%. What that means is that in real terms the 2013/14 yield recovery was in real terms lower than in 2012/13.

And that's also true in another way. The percentage yield recovery in 2012/13 was 1.89%. In 2013/14 it was 1.82%. The recovery rate was worse.

HMRC have a weird idea of trumpeting success that is no such thing. It may be better off actually investing more in getting the job done by employing a lot more staff to close the tax gap.

NB: My new report on the UK tax gap is out on 23 September.