

The UK's corporation tax statistics are just incredible...

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New corporation [tax statistics are out from HMRC this morning](#). They can be looked at from all sorts of directions of course, but one of my questions always relates to basic credibility.

A basic way of testing credibility would be, in my view, to check that it seems likely that the corporation tax system is likely to capture data on a very good proportion of all the companies that are likely to owe this tax. So I did some calculations comparing [table 11.3 on the number of companies declaring taxable income to HMRC](#) with the number of companies recorded at Companies House ([some data from here](#)). HMRC only have data up to 2012-13. This is the data:

Let's put that another way. This is data on the number of companies not declaring taxable income over that period:

It was pretty staggering that there were claimed to be over 1 million dormant companies at the turn of the century but now there are nearly 2 million.

I have to be candid: I don't believe that. I think there are many more trading than say so. I think it's utterly implausible that this is not the case.

What this implies is this:

Since HMRC's merger the number of companies declaring taxable income has gone down. It's recovering a little but remain at around one third of all companies.

Again, I don't believe that is the number that should be.

[There is more on this here](#) including why I think at least 400,000 of these supposedly dormant companies are trading, which given the data, seems remarkably few.