Objective analysis of economic policy is more important now than it has ever been. Please support our work and help us to improve public debate and government policy by becoming a member: www.ifs.org.uk/about/membership
Tax is at historically high levels

Source: OBR Databank, March 2019
But not high internationally

Tax revenues as a share of national income, 2017  Source: OECD Revenue Statistics
Most revenue comes from 3 taxes

Source: IFS historic data and OBR Databank, March 2019
Dimensions of Tax Design

Tax by Design

The Mirrlees Review

Institute for Fiscal Studies
Employees face tax penalty

Tax due (£) if generating £40,000

- Employee: 12,000
- Company owner-manager: 6,000

Tax 40% lower for business owner
1. Globalisation
Corporation tax rates have been declining.

Average corporation tax rate in G7

UK main corporation tax rate

- In 1980, the UK main corporation tax rate was 52%.
- By 2020, the rate had declined to 19%.
UK revenues held up despite rate cuts

Corporation tax receipts as share national income

Source: IFS and OBR Databank, March 2019
How much value comes from digital users?
2. The top 1%
Share of total income going to top 1%

Source: World Wealth and Income Database, via Our World in Data
Share of total income going to top 1%

Source: World Wealth and Income Database, via Our World in Data
Top rates of income tax down since 1980s
Top 1% of income taxpayers paying more

Share of income tax paid by top 1% of income taxpayers (RHS)

Top rate of income tax

Source: HMRC Income Tax statistics, Table 2.4
3. Wealth
Wealth is high and growing

Total net wealth of UK households: £13 trillion

- Property wealth (36%)
- Private pension wealth (42%)
- Financial wealth (13%)
- Physical wealth (10%)

Source: Wealth and Assets Survey, Office for National Statistics
Inheritance tax consistently viewed as most unfair

Proportion of people saying tax is unfair

- **Inheritance tax**: 70% (Ipsos Mori, 2004)
- **Council tax**: 40% (YouGov, 2015)
- **Income tax**: 30%
- **NICs**: 20%
- **Cigarette duty**: 10%

Source: Institute for Fiscal Studies