

A collective voice for the development of UK-based business

# THE HUNDRED GROUP

OF FINANCE DIRECTORS

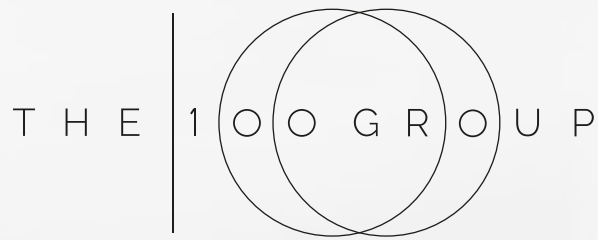
## 2019 Total Tax Contribution survey for the 100 Group

Continuing to invest in the UK economy

November 2019

A report prepared by PwC for the 100  
Group of Finance Directors





**A collective voice for the development of UK-based business**

# THE HUNDRED GROUP

OF FINANCE DIRECTORS

## About the 100 Group

The 100 Group of Finance Directors represents the view of the finance directors of FTSE 100 and several large UK private companies. Our member companies represent almost 90% of the market capitalisation of the UK FTSE 100 Index. Our aim is to contribute positively to the development of UK and international policy and practice on matters that affect our business, including taxation, financial reporting, corporate governance and capital market regulation. We believe that good fiscal and tax policy is grounded upon long-term stability, simplicity and consistency. Our members collectively employ 6.1% of the UK workforce and, in 2019, paid or generated taxes equivalent to 11.7% of total UK government receipts.

## About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with over 276,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

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# Foreword

**Welcome to the 15th annual PwC Total Tax Contribution (TTC) survey of the 100 Group. Based on analysis of data received from 99 of the largest companies in the UK, it shows that, within a context of slowing economic growth and continuing uncertainty, the total tax rate has increased to 41% and last year's record level of tax receipts has been sustained at £84.7bn<sup>1</sup>. In a year when business investment was falling in the wider economy, 100 Group capital investment increased by 10% and employment was sustained at two million people.**

The report presents an analysis of the taxes borne and collected by 100 Group companies, along with detailed trend analysis to show how the contribution has changed, as a result of economic factors and legislative changes, over the 15 years of the survey.

A further key focus of the report is the value distributed by the 100 Group companies. This primarily analyses how value is distributed<sup>2</sup> to government in taxes and to employees in wages and salaries. The government remains the largest beneficiary of this value with almost 48%. Employees receive 30% in the form of wages and salaries.

Together these companies support two million jobs, paying 22% more than the national average wage and generate 9% of total UK employment taxes (£27 billion). The largest proportion of their taxes borne (27%) and collected (32%) are generated from employment.

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<sup>1</sup> The survey analysed the total taxes paid by 100 Group companies in their financial years ended in the year to 31 March 2019.

<sup>2</sup> Value is distributed to the government in taxes, to employees in wages and salaries, to creditors in interest payments, and in profits retained for reinvestment or distributed to shareholders.

The 100 Group consistently shows high levels of capital investment (15% of annual business investment since 2012) and R&D spend helping to drive improvements in productivity throughout the UK economy. Capital investment from the 100 Group has increased by almost 10% over a period when the wider UK economy recorded falling business investment in three out of four quarters.

Legislative changes over the period have resulted in tax revenues being based less on profits and more dependent on wages and property. Whilst this can bring more stability to tax revenues it can present particular challenges for businesses which, for example, employ large numbers of people and impacts the returns available to shareholders. As such, the longer-term implications of these tax models need to be considered by policymakers.

The impact of this change in policy over time can also be seen in these results. In 2019 for every £1 of corporation tax, £3.05 was paid in other business taxes borne that are not dependent on profits. Despite a fall in profitability this year, the Total Tax Rate - all taxes borne as a share of commercial profit - has increased for 100 Group companies to 41% (2018: 39%). The 100 Group TTC was sustained at £84.7bn despite challenging economic conditions.

Overall the findings of this latest survey demonstrate the positive ways in which the largest UK companies contribute to the economy and wider society. Looking ahead, there are some key challenges that need to be addressed, from how to support employees to retrain in an age of increasing automation, to how we transition to a zero-carbon economy. The 100 Group welcomes the debate around how our society adapts to these challenges and how we can be part of any solution.

We thank the participating companies for continuing to support the survey and encourage business leaders and other stakeholders to engage with the tax agenda in the future.



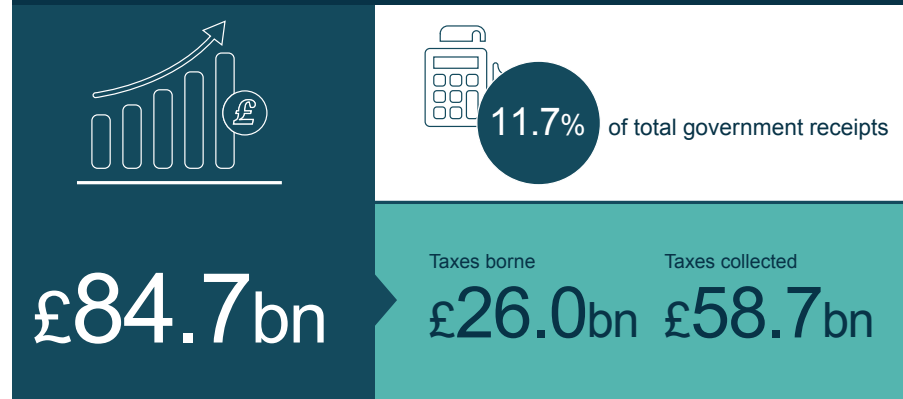
**Chris O'Shea**  
Chair of the 100 Group  
Tax Committee



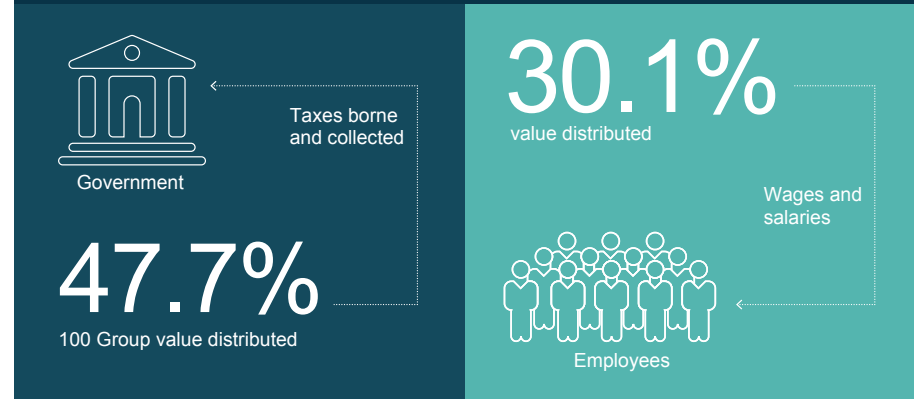
**Andrew Packman**  
Total Tax Contribution and  
Tax Transparency leader, PwC UK

# Key findings

Despite weak economic growth and continuing political uncertainty, the Total Tax Contribution of the 100 Group was sustained in 2019



Almost half of 100 Group value distributed goes to the government in taxes borne and collected



The Total Tax Rate – taxes borne as a proportion of commercial profit – for 100 Group companies



In a period of falling business investment in the wider UK economy, capital investment by the 100 Group increased



# Total Tax Contribution of the 100 Group in 2019

The Total Tax Contribution (TTC) of the 100 Group<sup>3</sup> in 2019 is estimated to be £84.7bn, which represents 11.7% of UK government receipts. It is the fifth consecutive year that the 100 Group TTC has been in excess of £80bn.

The 99 companies that participated in the 2019 survey provided data on taxes paid totalling £82.4bn. After extrapolation to all 100 Group members, the TTC is estimated to be £84.7bn, which represents 11.7% of total government receipts for the year ending 31 March 2019 (figure 1). This comprises total taxes borne of £26.0bn and total taxes collected of £58.7bn. Within taxes borne, we estimate corporation tax of £6.5bn, 11.8% of government corporation tax receipts and employment taxes of £26.5bn, 8.9% of government receipts of employment taxes.

Other business taxes paid (those borne and collected in addition to corporation tax), account for 92.5% of the TTC for the 2019 survey.

Figure 1 – Total Tax Contribution of the 100 Group 2019

	Survey participants (£m)	Extrapolated to the 100 Group (£m) <sup>4</sup>	Percentage of government receipts <sup>5</sup>
Corporation tax <sup>6</sup>	6,184	6,491	
Other taxes borne	18,854	19,553	
Taxes borne	25,038	26,044	
Taxes collected	57,380	58,693	
<b>Total Tax Contribution</b>	<b>82,418</b>	<b>84,737</b>	<b>11.7%</b>

<sup>3</sup> This includes all companies that have contributed data in TTC surveys conducted for the 100 Group and are members or have been members.

<sup>4</sup> Extrapolation has been carried out on a conservative basis using data on UK corporation tax from published accounts where available or data on UK revenues, and applying ratios from companies in the same industry sector.

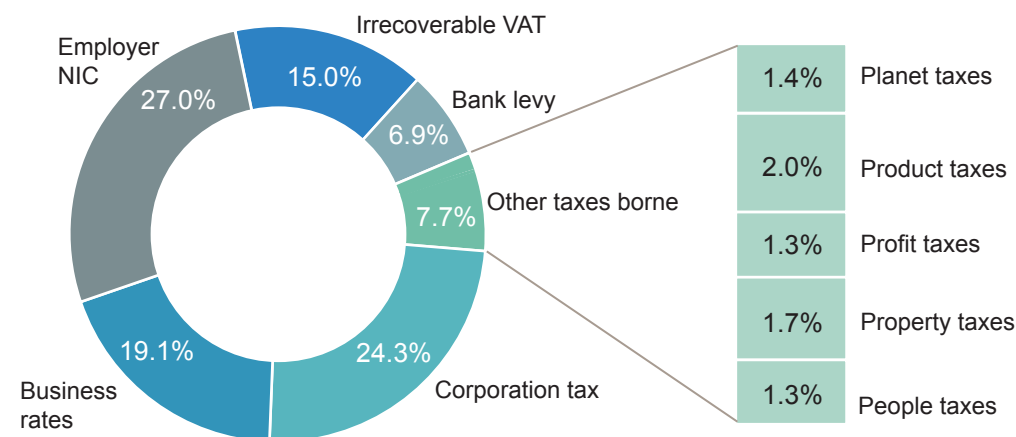
<sup>5</sup> Office for Budget Responsibility (OBR) – Economic and fiscal outlook supplementary fiscal tables – March 2019. Table 2.8. Current receipts (on a cash basis).

<sup>6</sup> Extrapolated corporation tax payments are 11.8% of government receipts of corporation tax.

Figure 2 shows the profile of taxes borne paid by 100 Group companies in 2019. The largest tax borne was employer NICs, at 27.0% of total taxes borne (compared to 25.8% in 2018). Corporation tax is now the second largest tax borne, at 24.3% (down from 26.5% in 2018). The third largest is business rates (19.1%) followed by irrecoverable VAT (15.0%).

For every £1 of corporation tax, £3.05 is paid in other business taxes borne. In 2018, this ratio was £1 of corporation tax to £2.77 of other business taxes borne. In 2005, the ratio was 1:1.

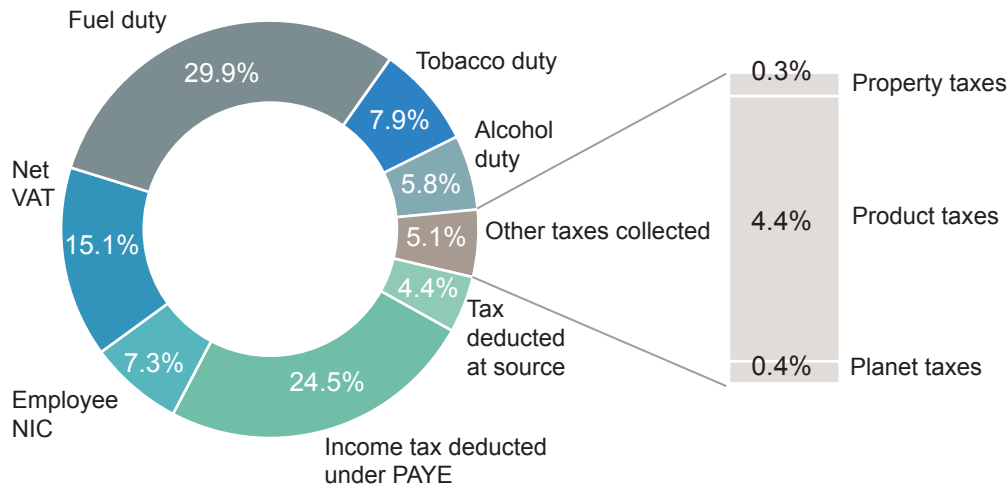
Figure 2 – Taxes borne by percentage, 2019



Source: PwC analysis. Note: see appendix 2 for an explanation of the five tax bases (profit, people, product, property and planet taxes)

Figure 3 shows the profile of taxes collected by 100 Group companies in 2019. Employment taxes, at 31.8%, are the largest share of taxes collected (income tax deducted under PAYE: 24.5% and employee NICs: 7.3%) followed by fuel duties at 29.9% (figure 3). For every £1 of corporation tax borne by this group of companies, there is £9.28 of taxes collected.

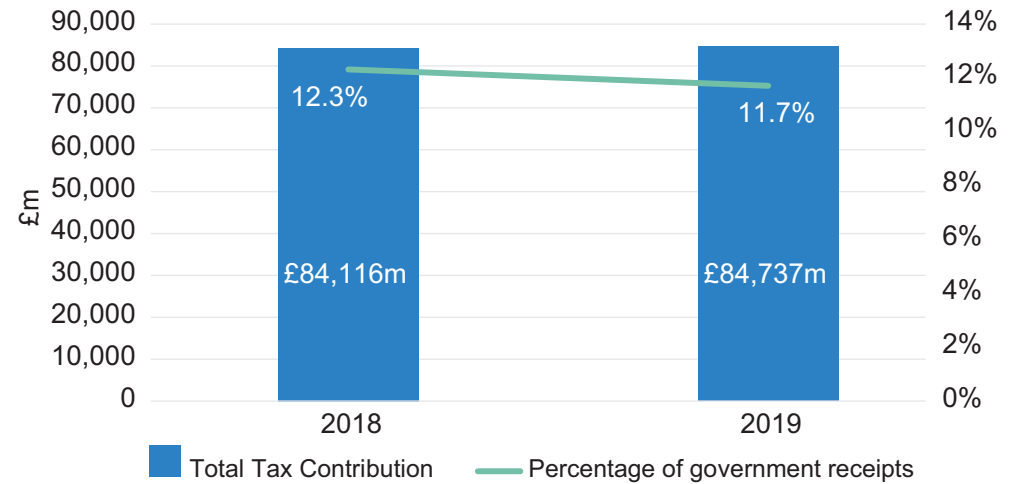
**Figure 3 – Taxes collected by percentage, 2019**



Source: PwC analysis

The TTC in 2019 is £0.6bn higher than in 2018, but represents a falling share of government receipts: 11.7% in 2019 compared to 12.3% in 2018 (figure 4). This is due to continued strong growth in government receipts (up 5.3% in 2018-19), driven largely by increases in income tax and NICs, reflecting stronger growth in total UK employment compared to 100 Group companies.

**Figure 4 – Total Tax Contribution of the 100 Group 2018 and 2019**



Source: PwC analysis



# TTC Methodology

**The TTC surveys for the 100 Group use the PwC TTC methodology, which looks at taxes borne and taxes collected whilst clearly distinguishing between the two.**

Taxes borne by a company are those that represent a cost to the company and are reflected in its financial results, e.g. corporation tax, employer NIC and business rates, etc.

Taxes collected are those which are generated by a company's operations, and are not a tax liability of the company, e.g. income tax deducted under PAYE and net VAT, etc. The company generates the commercial activity that gives rise to the taxes and then collects and administers them on behalf of HMRC.

We have identified 28 business taxes in the UK under the TTC methodology<sup>7</sup> in 2019 (Appendix 2). Of these, there are 23 business taxes borne (including corporation tax) and 14 business taxes collected (some business taxes are able to be categorised as both borne and collected).

The 2019 survey includes a new tax – the soft drinks industry levy – introduced in April 2018. The tax, aimed at reducing the sugar content of soft drinks, levies a unit charge on UK producers and importers of soft drinks based on the sugar content per litre of drink. It is classified in the TTC framework as a tax collected for producers of soft drinks.

The survey collects data from 100 Group members on all of their UK tax payments. PwC has anonymised and aggregated this data to produce the survey results. PwC has not verified, validated or audited the data and cannot give any undertakings as to the accuracy of the survey results in that respect. PwC sense check the TTC data received from each company and may ask the participants to clarify and explain particular elements. Data was extrapolated to provide an estimate of the TTC of the entire 100 Group. The same methodology has been used since the survey began, allowing the results to be compared across 15 years of the survey.

This report focuses on the contribution made in taxes borne, taxes collected, and the wider economic contribution. It analyses the trend over the last twelve months and also the last 15 years, highlighting the changing tax profile and how changing economic conditions and legislation have impacted these trends. It also takes a look at how companies are using their TTC data and their views on tax transparency initiatives and the current UK tax regime.

<sup>7</sup> <http://www.pwc.com/m1/en/tax/documents/2016/total-tax-contribution-framework-july-2016.pdf>.

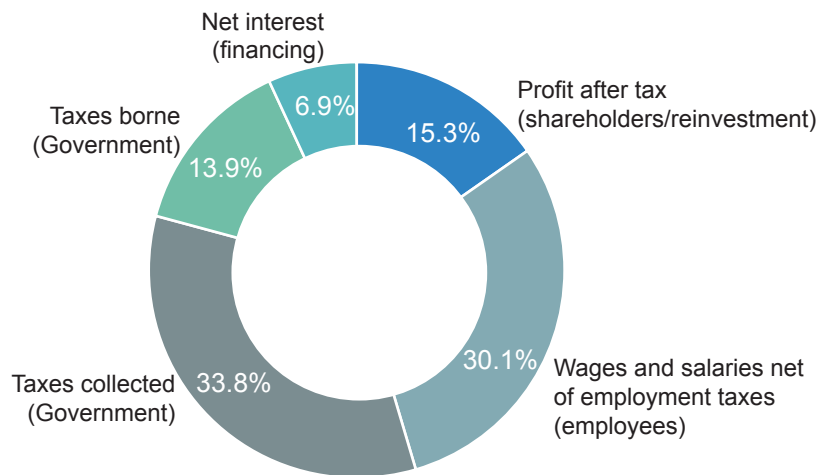
# Value distributed

The Total Tax Contribution can be put into the context of value distributed<sup>8</sup> by companies. In 2019, the share of value going to the government in taxes has increased to 47.7%, while 30.1% goes to employees in the form of wages and salaries.

Value is distributed to the government in taxes, to employees in wages and salaries, to creditors in interest payments, and in profits retained for reinvestment or distributed to shareholders. With the information gathered through the study, we are able to put the TTC in the context of value distributed by the companies that have provided this data.

The survey results show that the government remains the largest beneficiary of the value distributed by the 100 Group participants, increasing to 47.7% of the total (2018: 45.3%). Wages paid to employees are the second largest share of the value distributed, at 30.1%. Profits after tax (available to reinvest in the company or distribute to shareholders as dividends) account for 15.3% of the total (figure 5).

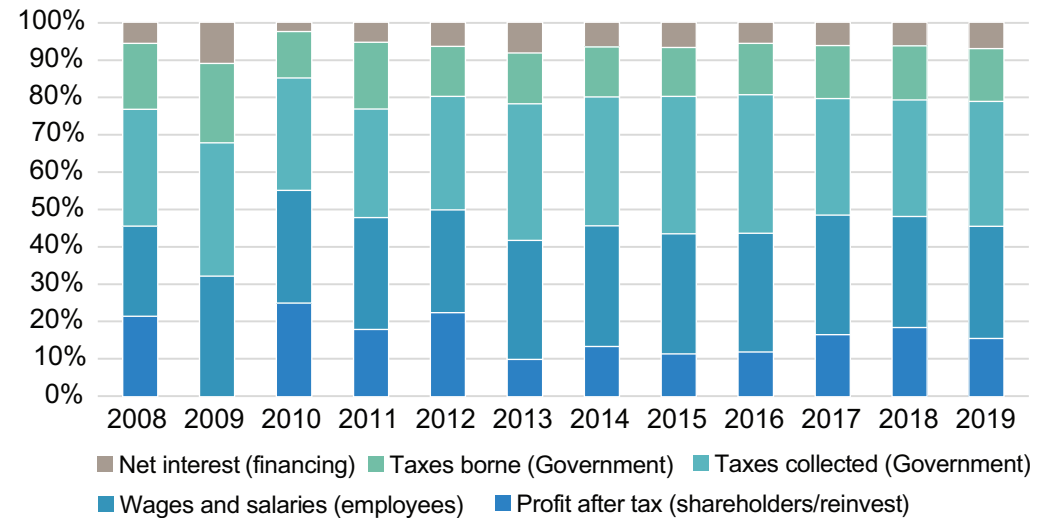
**Figure 5 – Value distributed by the 100 Group participants, 2019**



Source: PwC analysis

The trend in value distributed by the 100 Group (Figure 6), shows that the government has been the largest beneficiary of the value distributed every year of the survey. The trend also shows the impact of the financial crisis, marked by the 100 Group suffering an overall loss in 2009, before recovering in 2010.

**Figure 6 – Profile of value distributed by the 100 Group participants, 2008 to 2019**



Source: PwC analysis. Note: limited data prior to 2008 to generate value distributed

<sup>8</sup> Value distributed includes taxes and other costs funded from profits, profits retained or distributed to shareholders plus taxes generated from the business activity and collected on behalf of government.

# The wider economic contribution – GVA and UK suppliers

The contribution these large companies make to society extends beyond the value of goods and services produced, taxes paid and jobs created (direct impacts). There are significant indirect impacts, with further value and additional jobs supported through purchasing from UK suppliers. Furthermore, those employed directly by the organisation, or indirectly by a supplier, will spend their salaries in the wider economy (generating induced impacts).

To indicate the scale of this wider economic impact, the survey collects data on the number of UK suppliers that each company worked with over the 12 month survey period and additional data to allow us to estimate Gross Value Added (GVA).

On average, each company supported 5,947 UK suppliers<sup>9</sup> (figure 7), emphasising the considerable indirect impact that the 100 Group companies have on the wider UK economy.

GVA is a measure of the value of goods and services produced, and is used to calculate GDP. We estimate that the average GVA per employee for the 100 Group companies is £75,485<sup>10</sup>, compared to an estimated GVA per employee of £58,489 in the UK economy as a whole<sup>11</sup> (figure 8).

**Figure 7 – Number of UK suppliers supported by survey participants in 2019**

	Percentage of participants providing data	Average number of UK suppliers
UK suppliers supported by each 100 Group company	67%	5,947 <sup>12</sup>

Source: PwC analysis

**Figure 8 – Gross Value Added per employee in 2019**

	Average for the 100 Group of companies	UK GVA per employee
GVA per employee	£75,485	£58,489

Source: PwC analysis

<sup>9</sup> On a like-for-like analysis, there was a 0.5% decrease in the average number of UK suppliers compared to 2018.

<sup>10</sup> GVA was calculated using the income approach, defined as the sum of profit before tax, wages and salaries, employers' social contributions, depreciation, amortisation, and taxes incurred as a result of engaging in production.

<sup>11</sup> GVA per employee for the UK was calculated using ONS data for Gross Value Added (average) at basic prices, divided by ONS data on total UK employment: Employment by industry (Labour Force Survey), August 2019 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentbyindustryemp13>.

<sup>12</sup> The median was 3,285; the trimmed mean was 4,156. 66 companies provided data

# The wider economic contribution – employment

**The 100 Group employs two million people, paying an average wage of £37,167 and contributing employment taxes of £13,492 per employee on average.**

The 100 Group companies are major employers – the survey participants employed 1.8 million people in 2019. Extrapolating this to the 100 Group, we estimate total employment of two million people (figure 9). This represents 6.1% of the total UK workforce. The average wage per employee is £37,167 (compared to the average national wage of £30,420<sup>13</sup>) with average employment taxes of £13,492 paid per employee. The average salary and employment tax per employee are calculated by taking the totals for the survey population and dividing by the total number of employees. The 100 Group employs highly skilled, well paid workers and the average salary exceeds the national average, emphasising the contribution that the 100 Group makes through employment.

The 100 Group paid a total of £26.5bn in employment taxes borne and collected (extrapolated), which accounts for 8.9% of total government receipts from employment taxes. Employment taxes are the largest element of total taxes borne and taxes collected. Employer NIC, at 27.0%, is the largest tax borne for participants, and income tax deducted under PAYE together with employee NIC account for 31.8% of taxes collected.

The survey results show that the participating companies paid a total of £25.5bn in employment taxes, including £7.2bn in employment taxes borne and £18.3bn in employment taxes collected (figure 10).

On a like-for-like basis, where companies have supplied data for employment taxes, wages and salaries, and number of employees for both 2018 and 2019, the number of employees increased by 0.2%, wages and salaries increased by 3.2% and employment taxes increased by 3.7% (figure 11). The increase in wages and salaries was driven by growth in earnings at an economy level over the year.

**Figure 9 – Employment tax figures for the 100 Group in 2019**

	Survey participants	Extrapolated to the 100 Group	Percentage of government figure
Number of UK employees	1.8m	2.0m	6.1% <sup>14</sup>
Total employment taxes	£25,469m	£26,529m	8.9% <sup>15</sup>

Source: PwC analysis

<sup>13</sup> Based on the median gross weekly earnings for full-time employees, ONS Employee earnings in the UK: 2019 (October 2019) <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2019>.

<sup>14</sup> Office for National Statistics (ONS) – Employment by industry (Labour Force Survey), August 2019 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentbyindustryemp13>.

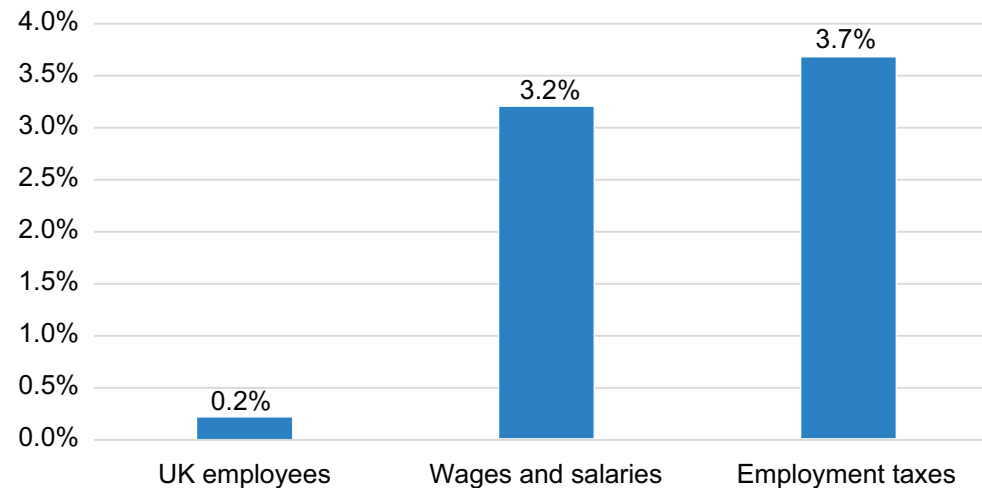
<sup>15</sup> The Office for Budget Responsibility (OBR) – Economic and fiscal outlook supplementary fiscal tables – March 2019. Table 2.8. Current receipts (on a cash basis).

**Figure 10 – Employment tax figures for the survey participants in 2019**

<b>Employment taxes borne</b>	
Employer NIC	£6,873m
PAYE agreements (PSAs) (tax on benefits)	£117m
Net apprenticeship levy	£218m
<b>Total employment taxes borne</b>	<b>£7,208m</b>
<b>Employment taxes collected</b>	
Employee NIC	£4,203m
Income tax deducted under PAYE	£14,058m
<b>Total employment taxes collected</b>	<b>£18,261m</b>
<b>Total employment taxes borne and collected</b>	<b>£25,469m</b>

Source: PwC analysis

**Figure 11 – Trends in the number of UK employees, wages and salaries, and employment taxes, 2018 to 2019**



Source: PwC analysis, based on 83 companies that provided data for the number of employees, wages and salaries and employment taxes in 2018 and 2019.

# The wider economic contribution – capital investment, research & development

**Business investment is an important contribution that large companies make to the UK economy. The 100 Group continues to contribute a significant share of UK business investment and R&D expenditure.**

The 100 Group make a significant contribution to innovation and the fabric of the UK economy through capital investment and research and development expenditure. 93% of the participating companies provided data showing that total investment in tangible fixed assets increased to £26.8bn, representing 13.1% of UK expenditure on business investment (figure 12). On a like-for-like basis, where we have company data for both 2018 and 2019, this represents an increase of 9.6%.

**Figure 12 – Investment made by 100 Group companies in fixed assets 2019**

2019 survey	Percentage of participants providing data	Total (£m)	Percentage of the total UK amount	Trend 2018 – 2019 on a like-for-like basis
UK fixed assets additions	93%	26,841	13.1% <sup>16</sup>	9.6%

Source: PwC analysis

The survey participants also invested a total of £9.3bn in research and development, a decrease of 2.0% compared to 2018 (figure 13).

**Figure 13 – Investment made by 100 Group companies in research and development 2019**

2019 survey	Percentage of participants providing data	Total (£m)	Trend 2018 – 2019 on a like-for-like basis
R&D expenses	47%	9,252	-2.0%

Source: PwC analysis

<sup>16</sup> ONS Gross Fixed Capital Formation: Business Investment: CP SA: £m <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/businessinvestment>

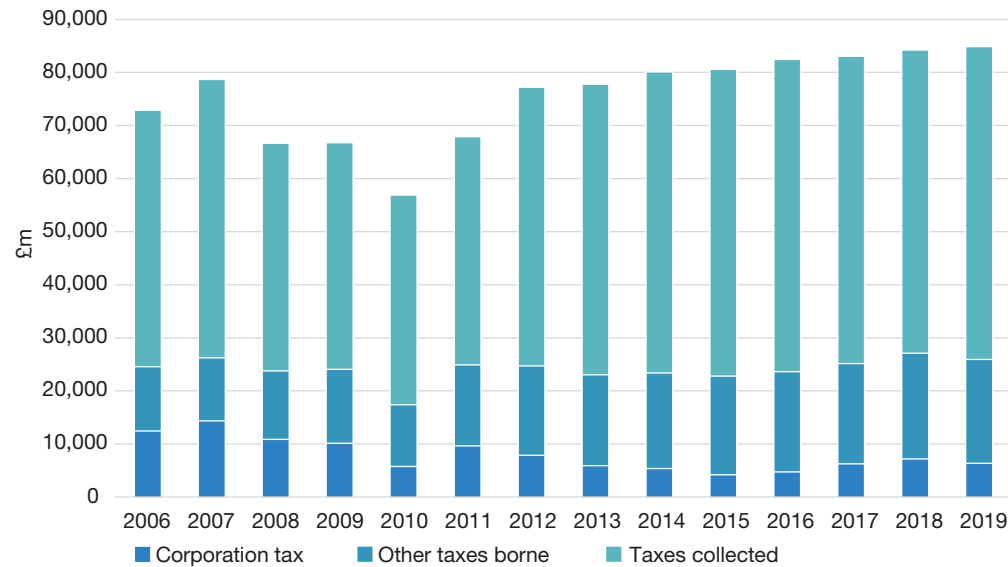
# The changing profile of tax

The profile of taxes paid by large businesses has changed significantly over the 15 years of the survey, as a result of changes to tax policy and economic conditions. The most pronounced change has been a shift from corporation tax towards other business taxes, such as business rates, employer NIC and irrecoverable VAT. In 2005, other business taxes were 50.0% of taxes borne. In 2019, they account for 75.7%.

Figure 14 shows the total tax contribution of the 100 Group since 2006, split between corporation tax, other taxes borne and taxes collected. The total contribution has been relatively stable over the last eight years, with the total reaching over £80bn over five consecutive years to 2019. However, a closer look at the profile of taxes shows considerable variation over the survey period.

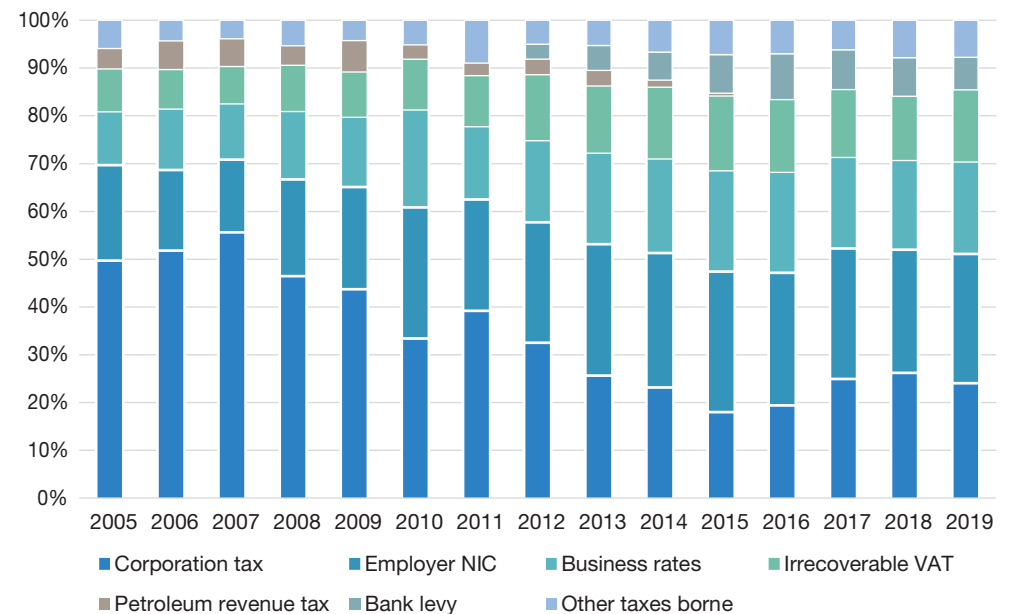
A major trend since the survey began has been the decreasing share of corporation tax compared to other business taxes. Figure 15 shows that, in 2005, corporation tax accounted for 50.0% of taxes borne, increasing to 55.9% in 2007 just before the financial crisis. The trend from 2007 to 2015, with the exception of 2011, has been for corporation tax to account for a declining share of taxes borne each year, while the contribution from other business taxes has increased. The share of taxes borne from employer NIC, for example, has increased over the survey period, becoming the largest tax borne between 2013 and 2019, with the exception of 2018.

Figure 14 – Total Tax Contribution for the 100 Group, 2006 to 2019<sup>17</sup>



Source: PwC analysis

Figure 15 – Profile of taxes borne, 2005 to 2019



Source: PwC analysis

<sup>17</sup> The chart is based on extrapolated data from each survey.

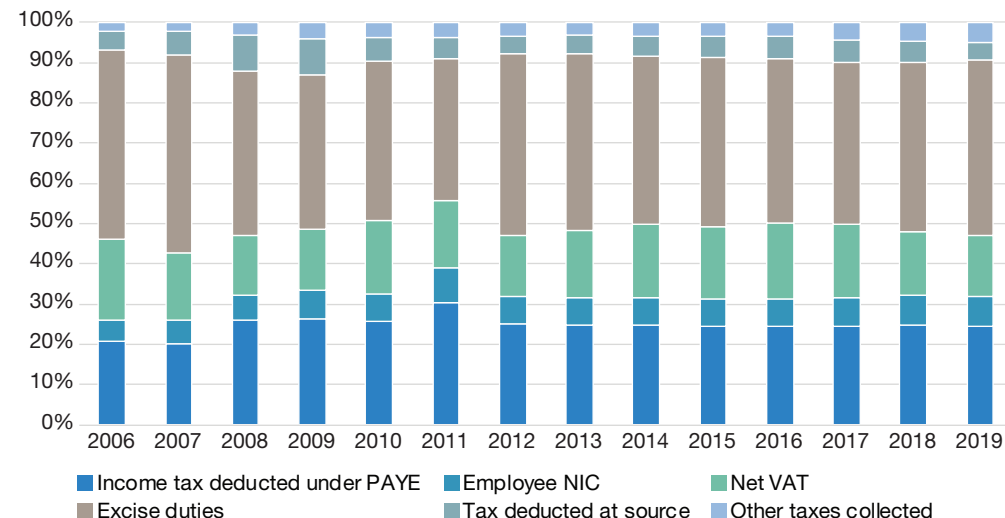
There are a range of factors influencing the changing profile, including variations in profitability relating to different sectors within this group of companies, and depressed profitability on the whole in the aftermath of the financial crisis. However, a major driver for the falling share of corporation tax between 2007 and 2015 has been the reduction in the headline rate. The rate of corporation tax, at 30% when the survey began, was reduced to 28% in 2008. This was the first change to the headline rate in ten years, and was followed by a further reduction to 26% in 2011, and then a series of cuts taking the headline rate down to 19% from 1 April 2017.

However, the headline rate is not the only factor that determines corporation tax receipts. In 2018, with the headline rate at 19%, corporation tax was the largest tax borne for 100 Group companies, after increasing for three consecutive years. This was largely a result of government legislation, particularly affecting the corporation tax paid by the banks in the survey. In particular, tighter loss relief legislation (companies were restricted in their ability to use carried forward losses to offset against taxable profits), non-deductibility of compensation payments, and the introduction of the bank surcharge in January 2016, imposing an additional 8% surcharge on the profits of banking companies. Tighter loss relief legislation also applied to other industry sectors from April 2017, with 50% of taxable profits eligible to be offset by carried forward losses.

At a UK economy level, there has also been growth in corporation tax receipts, despite the reduction in the headline rate. The key factors likely to be driving this trend are legislation that has broadened the tax base, measures to reduce avoidance, and growth in the number of individuals and companies incorporating.

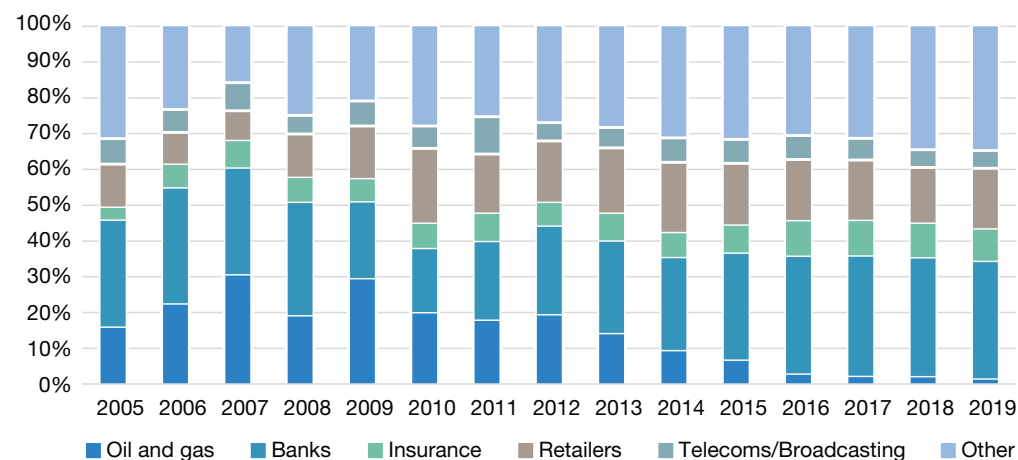
Figure 17 shows the contribution from all business taxes borne for the five largest sectors in the survey (note, there are different numbers of companies in each sector and the total contribution varies between the years).

**Figure 16 – Profile of taxes collected, 2006 to 2019**



Source: PwC analysis

**Figure 17 – Profile of taxes borne by sector, 2005 to 2019**



Source: PwC analysis

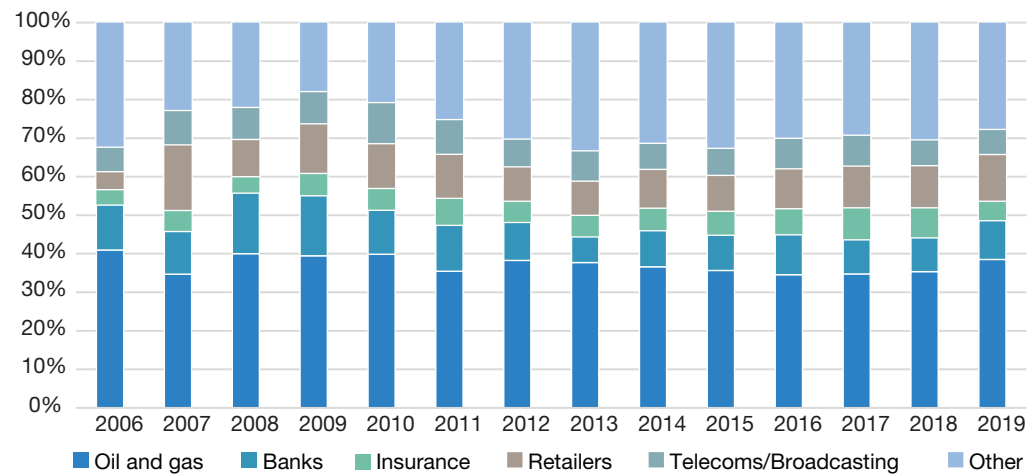


The 2019 profile is broadly consistent with 2018, while the profile over the survey period shows the recent trend away from oil and gas companies, and towards a greater reliance on financial services. It also demonstrates the significant contribution from the retail sector, which has increased over the survey period, averaging 17.8% of taxes borne since 2010.

When taxes collected are added to the sectoral analysis, the continued importance of the oil and gas sector is evident, particularly as a consequence of fuel duties, which are levied when petroleum products are sold into the UK market (figure 18). Although on a downward trend since 2012 the sector continues to account for a quarter of the overall TTC of the 100 Group (figure 26 – Total Tax Contribution 2006-2018 by sector).

In contrast to the profile of taxes borne, the profile of taxes collected is notable for its stability over the last six years, both in terms of the profile by taxes and by sectors (figure 16 and 18). Excise duties account for the largest share of taxes collected at 43.7%, followed by 31.9% from employment taxes (income tax deducted under PAYE 24.6% and employee NIC 7.3%).

**Figure 18 – Profile of taxes collected by sector, 2006 to 2019**



Source: PwC analysis

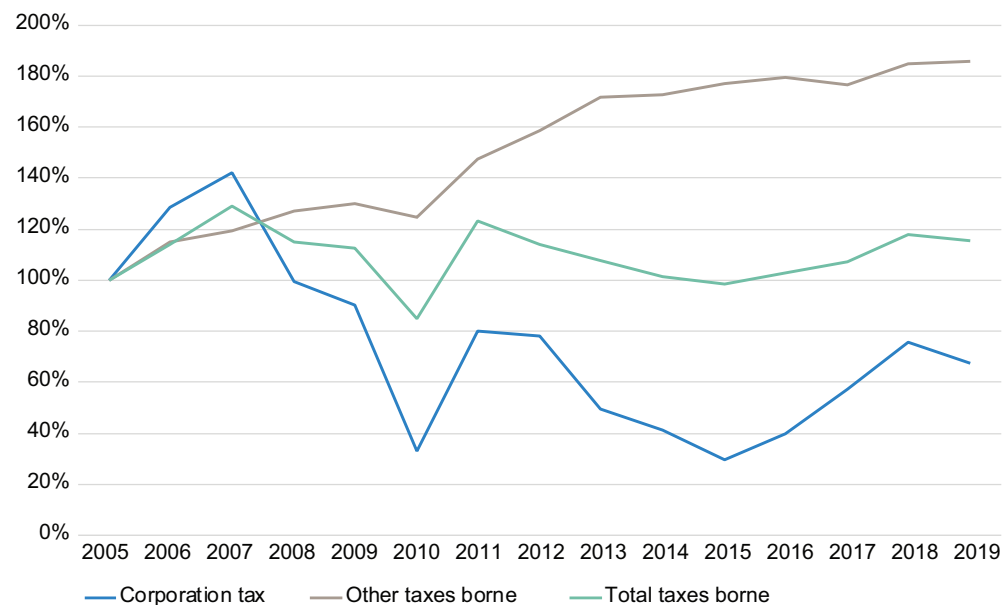
Over the last 15 years, the TTC survey has collected an extensive bank of data on tax payments by the 100 Group members, giving us a unique insight into the changing profile of taxes paid by the largest UK companies. 27 companies have provided data in all the surveys we have undertaken. This enables us to look at long-term trends on a like-for-like basis.

Figure 19 displays taxes borne by these companies split into corporation tax and other taxes borne, to show how the contribution from those different elements, along with total taxes borne, has changed over time. The broad trend over the survey period has been for decreasing corporation tax contributions since 2007 to be offset by increasing contributions from other business taxes borne.

Other taxes borne have increased by 85.9% over the 15 year period, and corporation tax has decreased by 32.3%. However, the increase in other taxes borne has slowed since 2013, and there were three consecutive annual increases in corporation tax between 2016 and 2018.

Figure 19 also reveals the impact of the financial crisis, most noticeably in the 2010 survey. It demonstrates that other business taxes borne, which are not so dependent on profit, are less volatile, and consequently have provided a more stable source of revenue for the government. However, the shift away from profit taxes towards taxes based on people, production and property can have a greater impact on sectors that have lower profit margins and require a large workforce, such as retailers.

**Figure 19 – 2005 to 2019 trends in taxes borne – corporation tax, other taxes borne and total taxes borne**



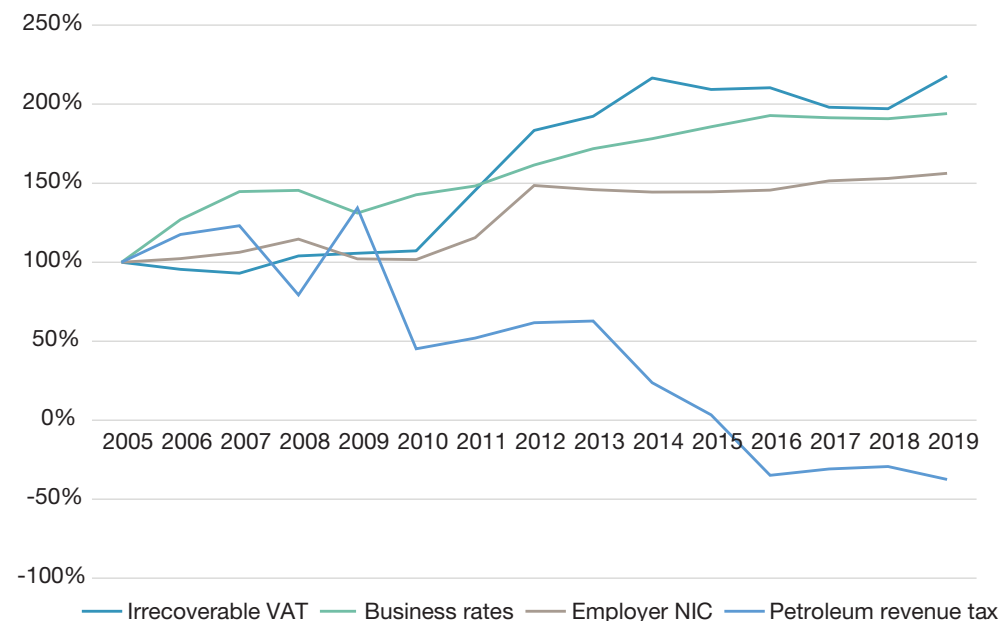
Source: PwC analysis

Figure 20 looks at the trend in other taxes borne in greater detail, splitting out the largest taxes from this category over the survey period: employer NIC, business rates, irrecoverable VAT and petroleum revenue tax (PRT). Irrecoverable VAT arises when input VAT cannot be reclaimed by companies that provide services or products that are exempt from VAT, as is the case for the financial services sector. For the 27 companies that have provided data for the entire survey period, irrecoverable VAT is more than twice the level it was in 2005. This has largely been driven by the increase in the rate of VAT to 20% in 2011, changes in the EU VAT system in 2010<sup>18</sup>, and legislative and case law changes for the financial services sector. In addition, a trend for the financial services sector to outsource more of its activities resulted in increased input VAT.

Business rates has increased by 94.1% since the survey began, driven by increasing multipliers (see section on business rates for more detail) and rateable values. Employer national insurance contributions increased by 56.3%, as a result of increased rates in 2011 and increasing wages over the survey period, including the impact of the national living wage in April 2016.

The decrease in PRT over the survey period is due to a combination of falling profitability, and older oil fields to which this tax still applies (those that received development consent before 16 March 1993), reaching maturity. Since 2016, PRT for the companies in the survey has been in an overall refund position.

**Figure 20 – 2005 to 2019 trends in taxes borne – irrecoverable VAT, business rates, employer NIC, and PRT**



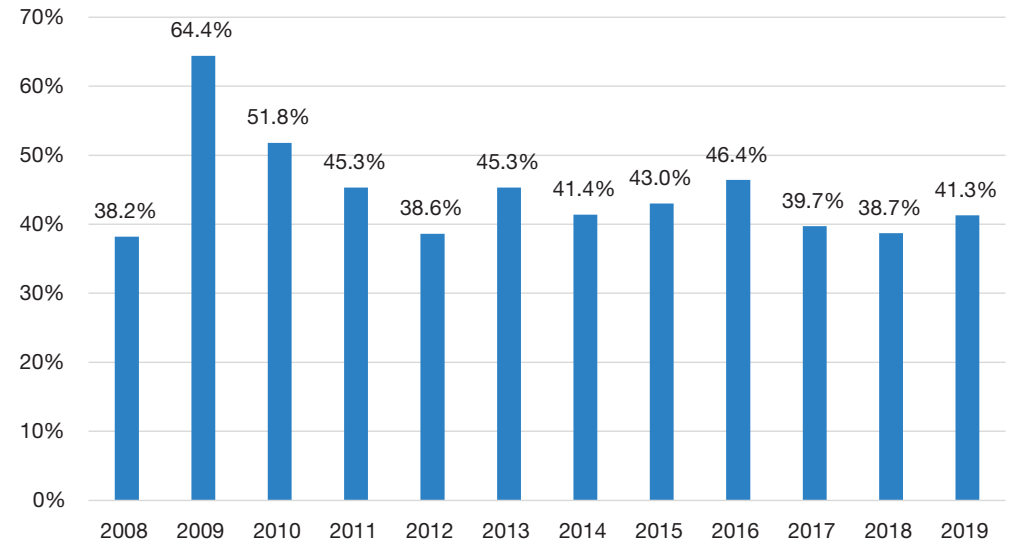
Source: PwC analysis

<sup>18</sup> [http://ec.europa.eu/taxation\\_customs/business/vat/eu-vat-rules-topic/where-tax\\_en](http://ec.europa.eu/taxation_customs/business/vat/eu-vat-rules-topic/where-tax_en)

The average Total Tax Rate (TTR) for 100 Group members participating in the 2019 survey is 41.3%<sup>19</sup> (figure 21). The TTR is a measure of the cost of taxes borne in relation to profit. It is calculated for total taxes borne (corporation tax plus all other taxes borne) as a percentage of profit before total taxes borne.

The TTR peaked in 2009 when profits fell at the height of the recession and then declined as the economy and profitability recovered. In 2019, the TTR increased for this group of companies, as profits have fallen and taxes that are not dependent on profit have been sustained.

**Figure 21 – Total Tax Rate, 2008-2019**



Source: PwC analysis

<sup>19</sup> TTR overall average is 45.4% and the median is 33.4%

# Trend in Total Tax Contribution between 2018 and 2019

In 2019, the Total Tax Contribution of the 100 Group increased by 3.1%, driven by a 6.1% increase in taxes collected, partially offset by a 2.9% decrease in taxes borne.

89 companies provided data for both 2018 and 2019 surveys allowing us to analyse the trends on a like-for-like basis for these companies. Figure 22 shows the trend in TTC from 2018 to 2019, and the components of the total increase comprising taxes borne and taxes collected.

The 2.9% decrease in taxes borne was largely driven by corporation tax, accounting for 3.0 percentage points of the total decrease, and bank levy at 1.4 percentage points of the total (figure 23). The decrease in corporation tax was primarily driven by the insurance sector, with profits falling due to a high frequency of catastrophes pushing up claims, and costs increasing as a result of regulatory and reorganisation changes. The decrease in bank levy was a result of decreasing rates (see figure 34) along with movements in the underlying liabilities.

**Figure 22 – Trend in Total Tax Contribution, 2018-2019**

Total Tax Contribution	Trend as % of total <sup>20</sup>
Taxes borne	-1.0%
Taxes collected	4.1%
<b>Total Tax Contribution</b>	<b>3.1%</b>

Source: PwC analysis

**Figure 23 – Trend in taxes borne, 2018-2019**

Tax borne	Trend as % of total taxes borne <sup>21</sup>
Corporation tax	-3.0%
Business rates	0.1%
Employer NIC	0.7%
Bank levy	-1.4%
Irrecoverable VAT	1.3%
Other taxes borne	-0.6%
<b>Total taxes borne</b>	<b>-2.9%</b>

Source: PwC analysis

<sup>20</sup> Movement shown as a proportion of increase in Total Tax Contribution.

<sup>21</sup> Movement shown as a proportion decrease in taxes borne.

Figure 24 shows a breakdown of the 2.9% decrease in taxes borne by sector (showing retail, banks, insurance and oil & gas), splitting out the impact of corporation tax and other business taxes borne. The retail sector was the only major sector to record an increase in taxes borne in 2019.

**Figure 24 – Trend in taxes borne (highlighting specific sectors), 2018-2019**

	All Sectors	Retail	Banks	Insurance	Oil & Gas	Other Sectors
Corporation Tax	-3.0%	0.5%	-0.8%	-1.5%	-0.6%	-0.6%
Other Business Taxes	0.1%	0.1%	-0.5%	0.0%	0.0%	0.5%
<b>Total Taxes Borne</b>	<b>-2.9%</b>	<b>0.6%</b>	<b>-1.3%</b>	<b>-1.5%</b>	<b>-0.6%</b>	<b>-0.1%</b>

Source: PwC analysis. Note: Of the 97 participating companies there are 8 retailers, 6 banks, 7 insurers and 6 oil & gas companies.

The 6.1% increase in taxes collected was primarily driven by an increase in excise duties (3.8 percentage points of the total) (figure 25). This was largely a result of an increase in fuel duties, driven by sales volume growth.

**Figure 25 – Trend in taxes collected, 2018-2019**

Tax	Trend as % of total taxes collected
Tax deducted at source	0.3%
Excise duties	3.8%
Employee NIC	0.2%
Income tax deducted under PAYE	0.9%
Net VAT	0.8%
Insurance premium tax	0.3%
Other taxes collected	-0.2%
<b>Total taxes collected</b>	<b>6.1%</b>

Source: PwC analysis

# The impact of other business taxes on different sectors

The 100 Group is a cross-industry sector organisation. The TTC surveys show how the impact of tax policy varies by industry sector, and how the trends in contribution have changed since 2006.

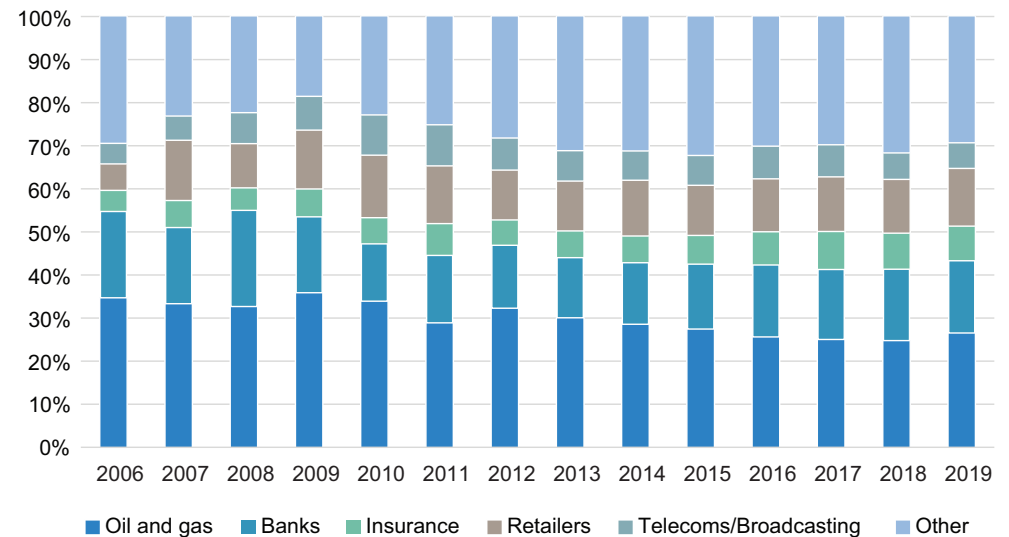
The survey highlights four significant other taxes borne (other than corporation tax) that impact the 100 Group: employer NIC, business and cumulo rates, irrecoverable VAT and bank levy, explained below.

Figure 26 shows the trend in TTC from 2006 to 2019 for the five largest 100 Group industry sectors. The trend shows a marked decrease in contribution from the oil and gas sector, from over a third of the total in 2006 (34.7%) to just over a quarter in 2019 (26.5%).

The contribution from the financial services sector, a quarter of the total in 2006, fell to below 20% in the aftermath of the financial crisis (19.6% in 2010). From 2016 the financial services share of TTC has accounted for a quarter of the total once again (25.0% in 2019).

The contribution from the retail sector is also significant. At 13.4% the retail share of TTC in 2019 is the highest since 2011.

**Figure 26 – Total Tax Contribution 2006-2019 by sector**



Note: there are different numbers of companies in each sector and the total contribution varies between the years – the chart shows the proportions represented by each sector.

Source: PwC analysis

Figure 27 shows the impact of corporation tax, employer NIC, business and cumulo rates, irrecoverable VAT and bank levy, on different sectors. For retailers, and telecoms and utilities, business rates make up 44.8% and 37.6% of their taxes borne respectively. For banks and insurers, irrecoverable VAT makes up 31.8% and 31.3% of their taxes borne respectively. Bank levy accounts for 26.0% of taxes borne for participating banks. For the oil and gas sector, 57.5% of their taxes borne contribution comes from employer national insurance contributions.

### Employer national insurance contributions

Employer NIC are part of the cost of employment and are paid for each employee at a rate of 13.8% of salary above a certain threshold.

### Business and cumulo rates

Business rates are paid on ownership of property based on the rateable value of the property and a specific multiplier. Cumulo rates are business rates paid on network assets (e.g. pipelines) (see page 27 for further analysis).

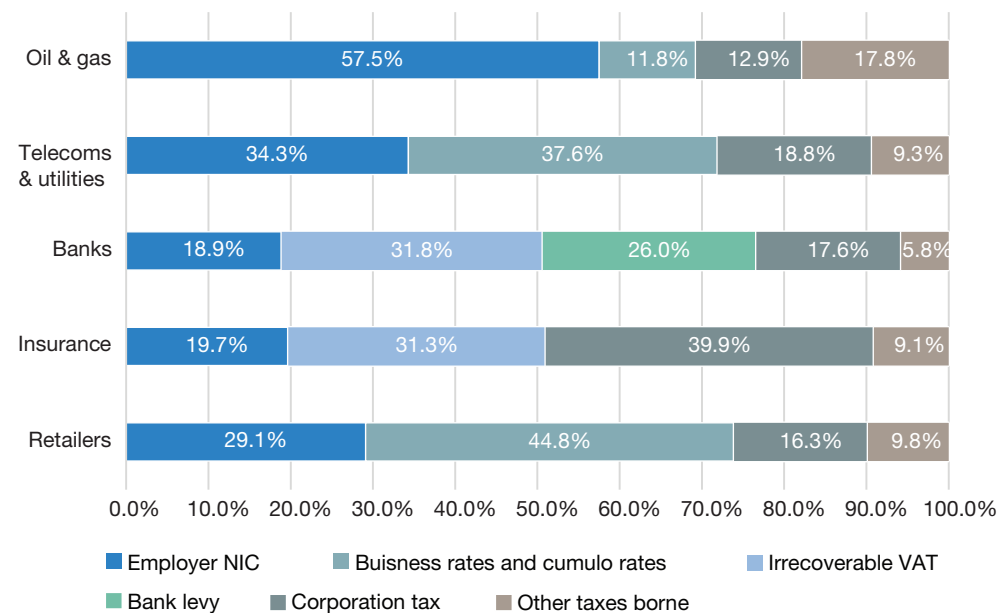
### Irrecoverable VAT

This is input VAT that is a cost to a business when related sales are exempt, as is the case for many transactions in the financial services sector (see page 29 for further analysis).

### Bank levy

The bank levy, introduced in 2011, is an annual tax on the balance sheet equity and liabilities of banks. The rate from April 2015 increased to its highest rate of 0.210% on short term and 0.105% on long term chargeable equity or liabilities, and started to fall from January 2016 (see page 30 for further analysis).

Figure 27 – Sector taxes borne 2019



Source: PwC analysis



# Corporation tax

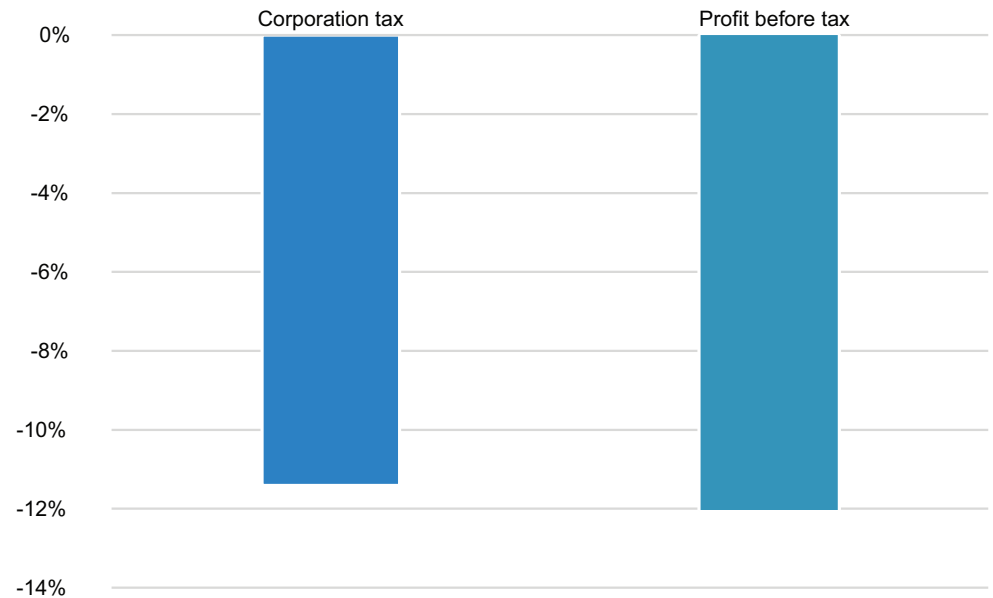
In 2019, we estimate that the 100 Group members paid £6.5bn in corporation tax, representing 11.8% of total UK government corporation tax receipts. Corporation tax represents 24.3% of total taxes borne in the 2019 survey (figure 2). For every £1 of the corporation tax, the 100 Group companies paid another £3.05 in other taxes borne, and £9.28 in taxes collected.

Following three consecutive annual increases, the total corporation tax paid by 100 Group companies decreased in 2019, as a result of decreasing profits for the survey participants. The decrease, 11.4% on a like-for-like basis, was seen across a range of sectors, with the main driver being the general insurance sector. Profits in the insurance sector were impacted by a high frequency of catastrophes resulting in a greater number of claims, along with increasing costs relating to regulation and reorganisation changes.

Figure 29 shows the decrease in profits and corporation tax in the year to 2019 for all participating companies, on a like-for-like basis, where companies provided both profit data and corporation tax data for both 2018 and 2019. Profits decreased by 12.1% and corporation tax decreased by 11.4% compared to 2018.

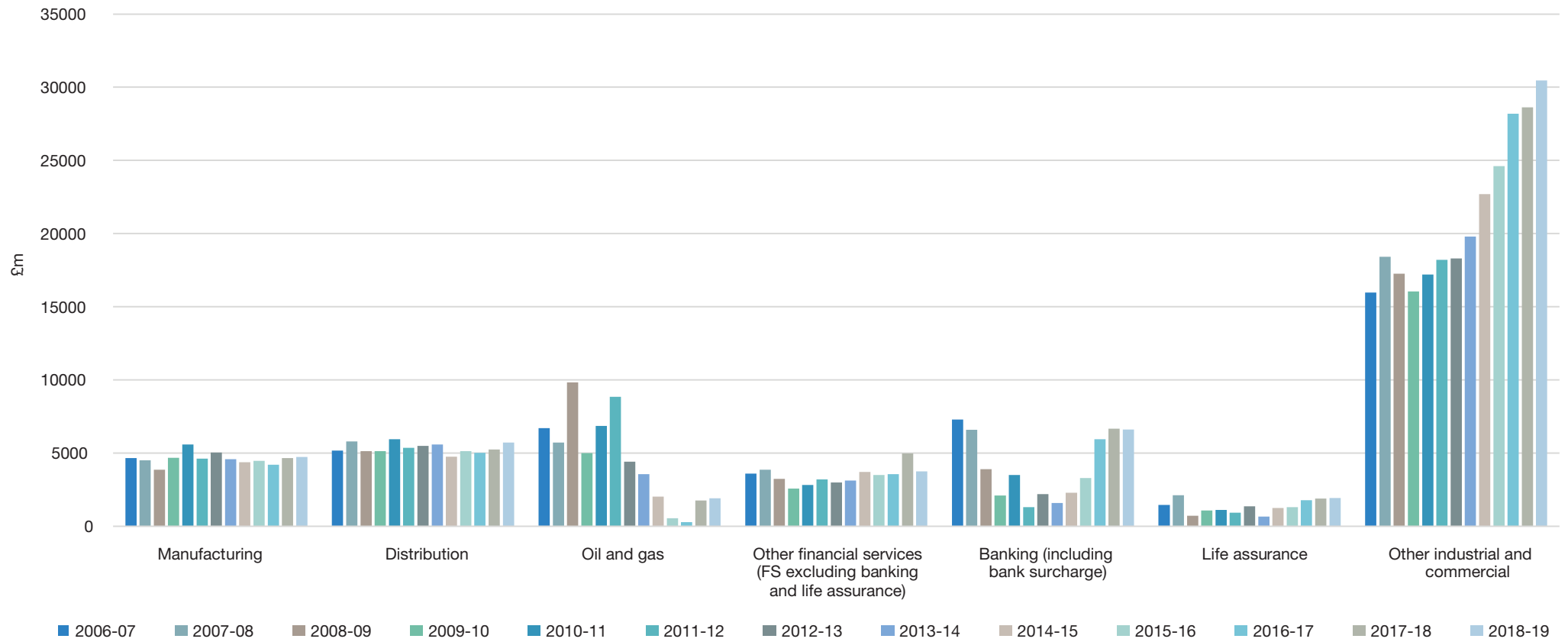
Figure 28 shows the trend in government receipts from corporation tax by sector. It reveals considerable growth from 'other industrial and commercial' over the last six years. Within this category, the construction sector and professional, scientific and technical sector have contributed significantly to this growth, potentially as a result of increasing incorporation within these industries.

**Figure 29 – Movement of corporation tax and profit before tax on a like-for-like basis, 2018 – 2019**



Source: PwC analysis, based on the overall average for companies providing both profit and corporation tax data for both 2018 and 2019.

**Figure 28 – Government receipts from corporation tax by sector, 2007 – 2019<sup>22</sup>**



Source: HMRC

<sup>22</sup> There is no government corporation tax data available for retailers.

# Business rates

**Business rates are the third largest tax borne for participating companies in 2019. They are charged on rateable property and are not linked to a company's profitability. Business rates impact heavily on the retailers in the survey, accounting for 44.8% of total taxes borne.**

Business rates are charged on the occupation of non-domestic property, including shops, offices, warehouses, factories, pubs and holiday rental homes or guest houses. The tax is paid on the occupation of property based on the rateable value of the property (set by the Valuation Office Agency (VOA)) and a specific multiplier set by central and devolved governments (figure 31). Business rates include cumulo rates which are non-domestic rates paid on rateable network assets by utility and telecom companies (e.g. pipelines and cables).

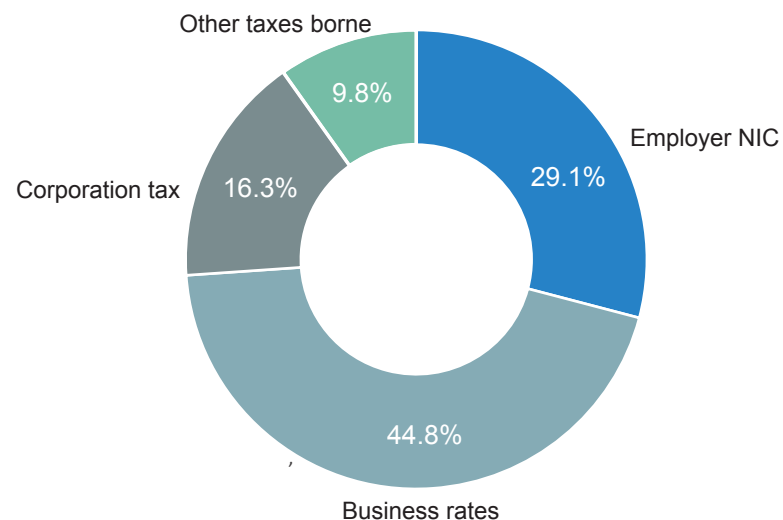
In 2019, survey participants paid a total of £4.9bn in business rates, representing 15.5% of the government's business rates receipts. At 19.1%, business rates are the third largest tax borne for participating companies in 2019.

The amount paid in business rates has increased by 94% since the survey began in 2005, driven by a combination of an increase in the multipliers and in rateable property value, as well as the general growth in business property owned by participating companies over the survey period.

45.5% of all business rates paid by the 100 Group participants in 2019 were paid by retailers. On average, 44.8% of taxes borne by 100 Group retailers are business rates (figure 30).

Property taxes are a particular area of focus when it comes to the proposals to decentralise fiscal powers within the UK. By 2020, local authorities are expected to be able to retain 100 per cent of revenue from business rates, along with some flexibility over setting the rates. Since 1990, business rates have been set by central government, and revenues transferred back from local to central government. Since 2013, local government has been able to retain 50 per cent of business rates revenue.

**Figure 30 – taxes borne by retailers on an average basis, 2019**



Source: PwC analysis

**Figure 31 – Business rates multipliers from 2005 to 2020**

Financial year	England <sup>23</sup>	City of London <sup>24</sup>
2019/20	50.4	51.0
2018/19	49.3	49.8
2017/18**	47.9	48.4
2016/17	49.7	50.2
2015/16	49.3	49.7
2014/15	48.2	48.6
2013/14	47.1	47.5
2012/13	45.8	46.2
2011/12	43.3	43.7
2010/11**	41.4	41.8
2009/10	48.5	48.9
2008/09	46.2	46.6
2007/08	44.4	44.8
2006/07	43.3	43.7
<b>2005/06**</b>	<b>42.2</b>	<b>42.5</b>

**\*\* indicates a revaluation year**

<sup>23</sup> <https://www.gov.uk/calculate-your-business-rates>.

<sup>24</sup> <https://www.cityoflondon.gov.uk/business/business-rates/Pages/how-your-bill-is-calculated.aspx>.

# Irrecoverable VAT

**Irrecoverable VAT is a significant tax for financial service companies. However, it's a tax that is not well understood, and as a consequence it attracts little recognition as a contribution made by the financial services sector.**

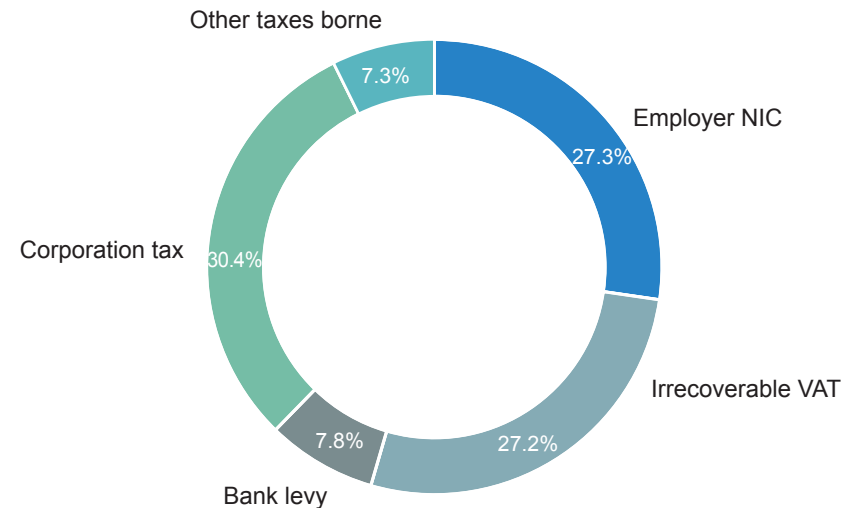
Irrecoverable VAT was the fourth largest tax payment for the study participants accounting for 15.0% of total taxes borne. Irrecoverable VAT arises when input VAT is incurred by a VAT business that makes exempt supplies. When a business supplies goods and services it generally charges VAT, and offsets any VAT it has incurred on purchases used to run the business (input VAT). Where a company's products or services are exempt, VAT is not charged to customers and the company cannot recover its input VAT. This input VAT is known as irrecoverable VAT.

Survey participants paid a total of £3.8bn in irrecoverable VAT. Of this total, financial services companies paid £3.4bn. On average, it accounts for 27.2% of taxes borne by financial services companies that participated in this year's survey (figure 32).

Irrecoverable VAT has more than doubled (increased by 118%) since 2005. The increase in irrecoverable VAT is partly driven by legislative changes – the rate of VAT increased in 2010 from 15.0% to 17.5% and again in 2011 to 20.0%.

There have also been other factors that have added to the burden of irrecoverable VAT in the financial services sector. In 2010, there were changes in the EU VAT system, which, taken with legislative or case law changes in the financial services sector, resulted in increased input VAT. There has also been increasing investment in information technology and infrastructure throughout the sector, a drive towards outsourcing administrative business functions and a move towards employing more contractors following the financial crisis, all of which increase the cost base and level of input VAT.

**Figure 32 – Taxes borne by financial services companies on an average basis, 2019**



Source: PwC analysis

# Bank levy

The banking sector is, by definition, the only sector that bears the bank levy. In 2019 it is the second largest tax borne by the banks in the survey, after irrecoverable VAT.

The bank levy, introduced in 2011, is an annual tax on the balance sheet equity and liabilities of banks. The rate of the levy increased every year up until 2015, in an attempt to meet the dual objectives of encouraging the banking sector to move towards more stable sources of funding and of raising a set amount of revenue<sup>25</sup>. The levy is currently applied to the worldwide balance sheet of a UK-headquartered bank, but only to the UK balance sheet of a foreign-headquartered bank.

The rate increase in April 2015 took the bank levy to its highest rate of 0.210% on short term and 0.105% on long term chargeable equity or liabilities, and from January 2016 the rates were reduced to 0.180% and 0.090%. Rates will gradually decrease each calendar year up until 2021 when 0.10% will be applied to short term liabilities and 0.05% to long term liabilities (figure 34).

From January 2021, the scope of the bank levy will be restricted to UK operations. This is particularly relevant for UK-headquartered banks where the bank levy currently applies to the global consolidated balance sheet.

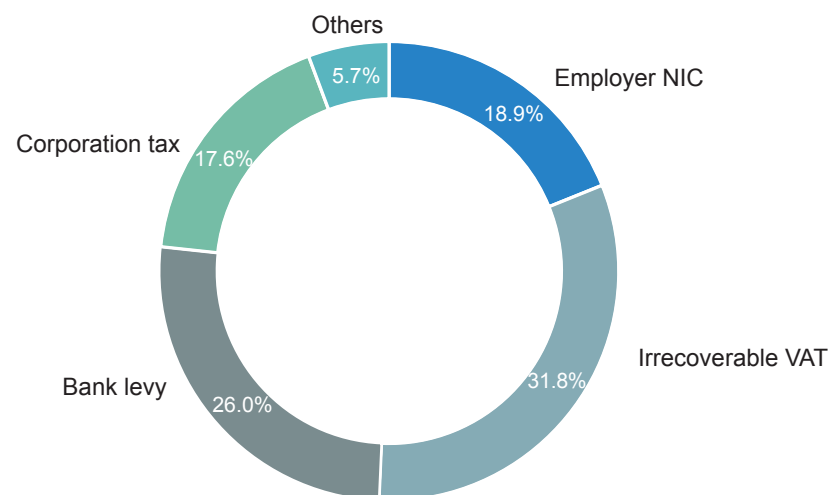
The recent changes to the bank levy regime were introduced alongside a new banking specific tax based on profits, the bank surcharge tax. The government's stated intention is to balance the burden on the banking sector between a balance sheet and a profits-based tax<sup>26</sup>.

In 2019, the government received £2.6bn in bank levy from the banking sector<sup>27</sup>. Banks participating in this year's survey paid bank levy of £1.7bn, representing 67.1% of the government's total bank levy receipts. This total makes up 6.9% of the total taxes borne by the 100 Group (figure 2 – taxes borne by percentage in 2019) – the fifth largest tax borne.

Survey data shows that the bank levy has decreased by 16.7% since 2018, on a like-for-like basis. However, the survey total in 2019 is 140% higher than in 2012 when the levy was introduced. The trends are dependent on changes to the levy rates as well as the underlying equity or liability values.

The banking sector is the only industry subject to this levy. As shown in figure 33, banks pay, on average, 26.0% of their taxes borne in bank levy.

Figure 33 – Taxes borne by banks on an average basis, 2019



Source: PwC analysis

<sup>25</sup> <https://www.gov.uk/government/news/government-introduces-bank-levy>.

<sup>26</sup> [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/470307/TIIN\\_Bank\\_Profits\\_Surcharge.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/470307/TIIN_Bank_Profits_Surcharge.pdf).

<sup>27</sup> PAYE and Corporate Tax receipts from the banking sector: 2019, <https://www.gov.uk/government/statistics/payee-and-corporate-tax-receipts-from-the-banking-sector-2019>.

**Figure 34 – Changes in the rate of bank levy<sup>28</sup>**

Financial year	Charge on short term equity or liabilities	Charge on long term equity or liabilities	Change in the short term rate of bank levy percentage points (base year 2011)	Change in the long term rate of bank levy percentage points (base year 2011)
2011	0.075%	0.038%	1.00	1.00
2012	0.088%	0.044%	1.17	1.16
2013	0.130%	0.065%	1.73	1.71
2014	0.156%	0.078%	2.08	2.05
2015	0.210%	0.105%	2.80	2.76
2016	0.180%	0.090%	2.40	2.37
2017	0.170%	0.085%	2.27	2.24
2018	0.160%	0.080%	2.13	2.11
2019	0.150%	0.075%	2.00	1.97
2020	0.140%	0.070%	1.87	1.84
2021	0.100%	0.050%	1.33	1.32

<sup>28</sup> <https://www.gov.uk/government/publications/bank-levy-rate-reduction/bank-levy-rate-reduction>.

# Business perceptions & looking forward

Companies participating in the 100 Group survey were asked to give their view on tax transparency as part of the 2019 survey.

Large businesses continue to experience unprecedented interest in the tax payments that they make and the tax strategies they adopt. At the same time, government policy attempts to balance the drive towards greater regulation and oversight with an 'Open for Business' agenda. We continue to assess business perceptions on country-by-country (CbC) reporting and tax transparency via the TTC survey. Figure 35 summarizes the key responses.

Three-quarters of survey participants (76%) agree that greater tax transparency from multinational companies (MNCs) is needed to help inform the debate around the tax contribution made by large businesses.

However, less than half of survey participants (46%) agree that public reporting of profits and tax by country will provide meaningful information to inform the debate.

Many of the largest UK companies are considering how increased transparency around their tax affairs and all of the taxes that they pay could better explain the impact that they have in the economies where they operate. Looking at 2018 year ends, thirty-four companies in the FTSE 100 disclosed details of their TTC<sup>29</sup>.

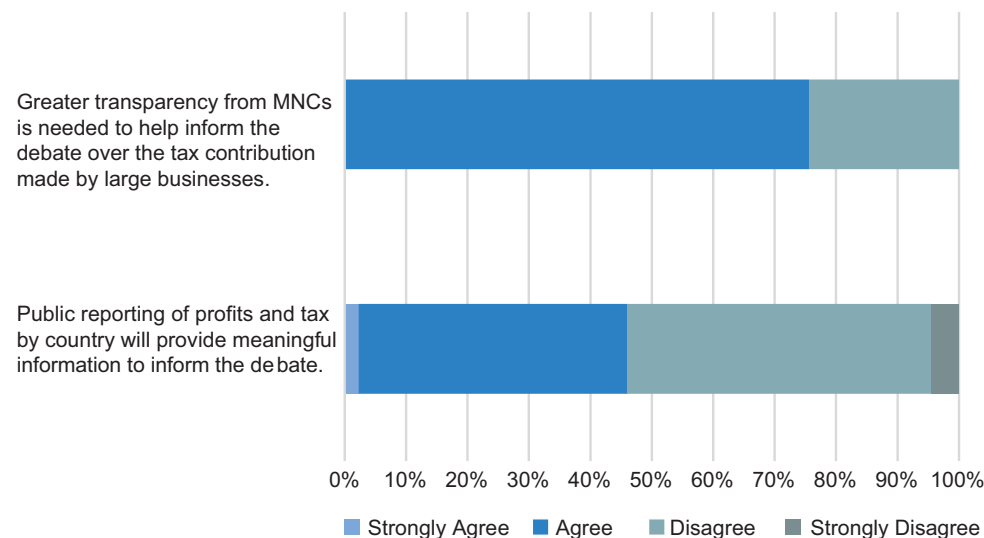
As we look ahead, legislative changes and Brexit are expected to have some impact on the tax contribution of large businesses. In addition, the rate of bank levy will continue to fall each year to 2021 (see figure 34), and from 2021, the scope of the levy, which currently applies to the global consolidated balance sheet of a UK-headquartered bank, but only to the UK balance sheet of a foreign-headquartered bank, will be reformed so as to apply to just the UK operations of all banks.

It will be interesting to see, over the next few years, how the combination of the impact of Brexit, the performance of the economy and legislative changes impact the tax contribution of the largest UK businesses.

More broadly, we expect to see reform of our tax system in the coming decades in

response to societal, technological and environmental changes. Key challenges include: how to maintain tax revenues to support an ageing population, how to support livelihoods in an age of increasing automation, and how to transition to a zero-carbon economy. These trends will have an impact on the profile of government tax revenues and we are likely to see the tax system adapting to address these challenges in the coming years.

Figure 35 – Companies' views on tax transparency



Source: PwC analysis

<sup>29</sup> <https://www.pwc.co.uk/ftse100reporting>



# How companies use their TTC data

**Each participant in the 100 Group TTC survey receives an individual company report on their Total Tax Contribution that details all of the taxes borne, taxes collected and the wider economic contribution they made in the survey period. The report provides details of the participants' tax profile, puts their data in the context of their economic footprint and provides high level benchmarking.**

The survey asked participants how they use their TTC data. Figure 36 displays the responses provided in 2019.

- 84% of companies use their TTC data to share with others in the company, such as their corporate responsibility, corporate reporting or external relations colleagues.
- 78% of companies use their TTC data to brief the board on UK taxes.
- 46% of companies use their TTC data in corporate reporting, in tax strategy and planning, or in tax risk management.

The use of TTC data falls into three broad categories: for internal communications, for external communications and for internal management. While the most popular use of TTC continues to be for internal communication, both in 2010 and 2019, use of TTC data in corporate reporting (either financial statements or corporate responsibility/sustainability report) has increased by 34 percentage points since 2010.

This year, we also saw increases in the number of companies using their TTC data in the management of their tax function (36%), and in external relations (35%).

**Figure 36 – How companies use their TTC data**

To share with others in the company, such as our corporate responsibility, corporate reporting or external relations colleagues

To brief the board on UK taxes

To highlight internally the importance of other taxes, as well as corporation tax

Included in our corporate reporting (either financial statements or corporate responsibility/sustainability report)

In tax strategy and planning, or in tax risk management

In our discussions with HMRC/our client relationship manager about our tax affairs

In media releases or other communications with stakeholders to show our positive economic contribution

In our PR/external relations generally

In the management of our tax function

To lobby for tax changes, either on our own or as part of a trade association/business group

Benchmarking against our industry peers

To assist the Senior Accounting Officer sign-off

In identifying areas/taxes for efficiency/cash savings

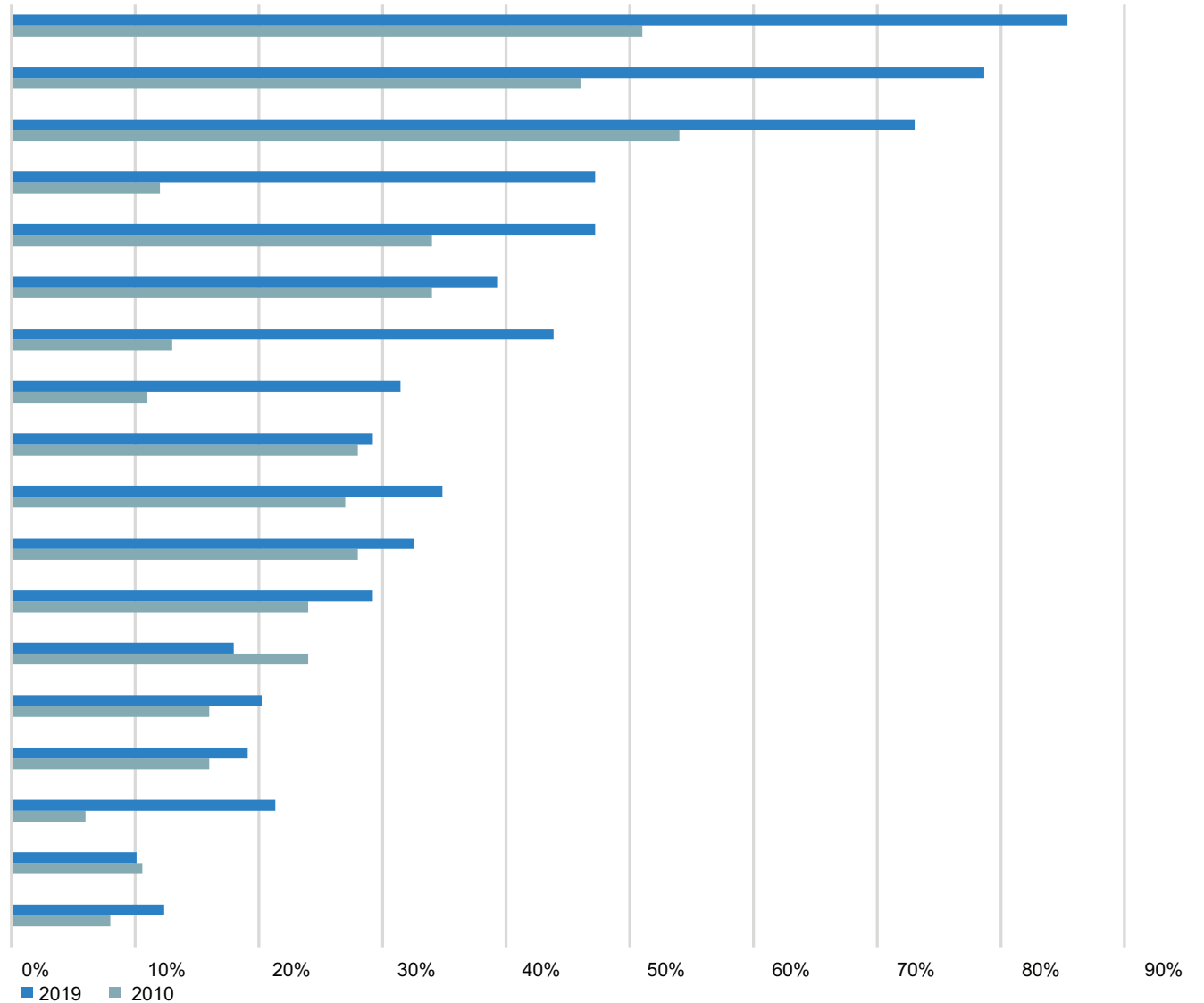
In commercial discussions with government (regulated industry or where government is a customer)

In looking at our cost of tax compliance

In our Analyst briefings

To think about new key performance indicators (KPIs) for tax, for example Total Tax Rate or Total Taxes as a percentage of turnover

To factor tax into investment decisions, taking into account other major tax costs as well as corporation tax



Source: PwC analysis

# Participation in the 15th survey

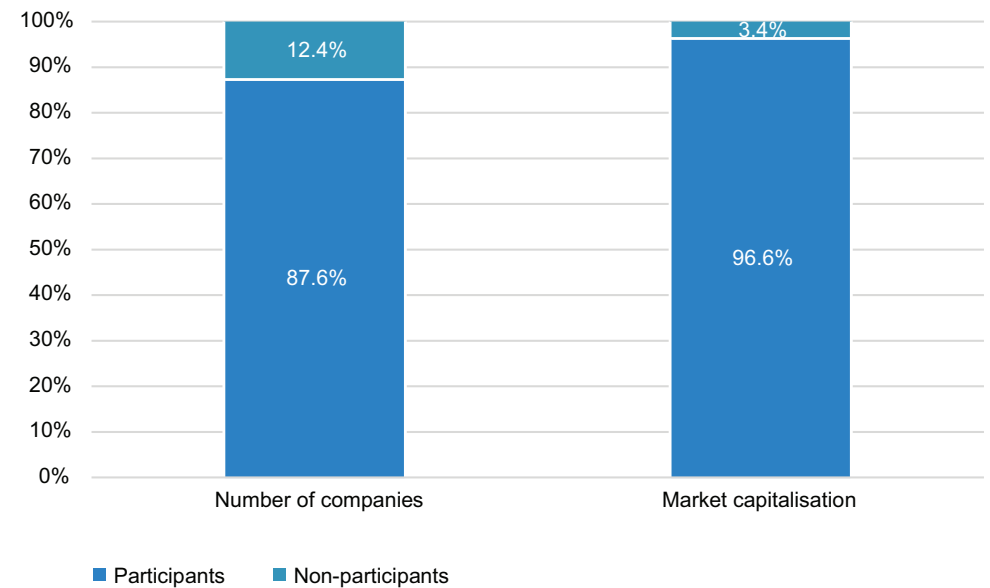
The survey continues to be well supported by the 100 Group – 99 companies provided data in 2019, representing 96.6% of market capitalisation (figure 37).

The Total Tax Contribution (TTC) survey is designed to collect robust data on all taxes that companies pay. TTC data is quantitative data on actual taxes paid and helps to inform the debate about the UK fiscal landscape, demonstrating how fiscal policy impacts the contribution made by large business to the UK public finances.

The 2019 survey is based on data collected from the 100 Group members for their accounting periods ending in the 12 months to 31 March 2019. 57% of participants have a December year end, 15% have a March year end and the remaining companies have other year ends spread throughout the survey period.

Many companies have indicated that they find the results useful for both internal and external communication. A full list of all companies invited to participate in the 2019 Total Tax Contribution survey is included in Appendix 1<sup>30</sup>.

Figure 37 – 99 companies provided data for the 2019 survey



Source: PwC analysis

<sup>30</sup> This includes all companies that have contributed data in TTC surveys conducted for the 100 Group and are members or have been members.

# Appendix 1

## List of companies invited to participate in the 2019 survey

- 3i Group plc
- Admiral Group plc
- Aggreko plc
- Anglo American plc
- Ashtead Group
- Associated British Foods plc
- AstraZeneca plc
- Aviva plc
- Babcock International Group plc
- BAE Systems plc
- Balfour Beatty plc
- Barclays Group
- Barratt Developments plc
- BHP Billiton
- BP plc
- British Airways Group
- British American Tobacco
- British Broadcasting Corporation
- BT GROUP
- Bunzl plc
- Bupa
- Burberry Group plc
- Cairn Energy plc
- Capita plc
- Centrica plc
- Coca-Cola HBC Northern Ireland Limited
- Compass Group plc
- ConvaTec
- Croda International plc
- Daily Mail and General Trust plc
- Diageo plc
- Direct Line Group
- Dixons Carphone plc
- DS Smith
- Experian plc
- ExxonMobil
- FGP Topco Limited
- G4S plc
- GlaxoSmithKline plc
- Greenery Fuels Holdings Limited
- Halma plc
- Hammerson plc
- Hargreaves Lansdown
- HSBC Holdings plc
- IMI plc
- Imperial Brands plc
- Informa plc
- Inmarsat plc
- InterContinental Hotels Group plc
- Intertek Group plc
- intu properties plc
- ITV plc
- J Sainsbury plc
- John Lewis Partnership
- John Wood Group plc
- Johnson Matthey plc
- Just Eat plc
- Kingfisher plc
- Ladbrokes Coral Group plc
- Land Securities Group plc
- Legal & General
- Lloyds Banking Group
- Marks and Spencer Group plc
- Meggitt plc
- Melrose Industries plc
- Merlin Entertainments plc
- Microfocus
- Mitchells & Butlers plc
- National Grid plc
- Nationwide Building Society
- NEX Group plc
- Next plc
- Ocado Group
- Pearson plc
- Pennon Group plc
- Persimmon Group
- Prudential plc
- Reckitt Benckiser plc
- RELX plc
- Rentokil Initial
- Rio Tinto plc
- Rolls-Royce Holdings plc
- Royal Dutch Shell plc
- Royal Mail plc
- RSA Insurance Group plc
- Sage Group
- Schroders plc
- SEGRO plc
- Severn Trent Water Limited
- Shire Pharmaceuticals
- Smith & Nephew plc
- Smiths Group plc
- Spirax-Sarco Engineering plc
- SSE plc
- St James's Place plc
- Standard Chartered plc
- Standard Life Aberdeen plc
- Taylor Wimpey plc
- Tesco plc
- The Berkeley Group Holdings plc
- The British Land Company plc
- The Royal Bank of Scotland Group plc
- Travis Perkins plc
- Tullow Oil plc
- Unilever
- United Utilities Group plc
- Vodafone Group plc
- Weir Group
- Wellcome Trust
- Whitbread plc
- Wm Morrison Supermarkets plc
- Wolseley Limited (Ferguson)
- WPP Group plc

# Appendix 2

## List of taxes borne and collected in the UK

	Tax borne	Tax collected
<b>Taxes on profits (profit taxes)</b>		
Corporation tax	x	
Tax deducted at source		x
Petroleum revenue tax	x	
Betting and gaming duty	x	
Diverted profits tax	x	
<b>Taxes on property (property taxes)</b>		
Business rates and cumulo rates	x	
Stamp duty land tax	x	
Stamp duty	x	
Stamp duty reserve tax	x	x
Bank levy	x	
<b>Taxes on employment (people taxes)</b>		
Income tax under PAYE		x
PAYE agreements (tax on benefits)	x	
Employee national insurance contributions		x
Employer national insurance contributions	x	
Apprenticeship levy	x	

	Tax borne	Tax collected
<b>Taxes on consumption (product taxes)</b>		
Net VAT		x
Irrecoverable VAT	x	
Customs duty	x	x
Fuel duty		x
Tobacco duty		x
Alcohol duty		x
Insurance premium tax	x	x
Air passenger duty	x	x
Vehicle excise duty	x	
Soft drinks industry levy		x
Import VAT collected		x
<b>Environmental taxes (planet taxes)</b>		
Landfill tax	x	x
Congestion charge	x	
Climate change levy	x	x
Aggregates levy	x	
EU Emissions Trading Scheme ('EU ETS')	x	x
Carbon Reduction Commitment Energy Efficiency Scheme ('CRC')	x	

## **The five tax bases**

Total Tax Contribution has been used by companies in different countries. Since taxes have different names in different countries, we identified five tax bases under which taxes borne and collected can be categorised – ‘the five Ps’ as we have called them:

**Profit taxes** – These include taxes on company profits that are borne (such as corporate income tax) and collected (such as withholding tax on payments to third parties).

**People taxes** – Taxes on employment, both borne and collected (including income tax and social security payments).

**Product taxes** – Indirect taxes on the production and consumption of goods and services, including VAT and sales tax, customs duties, insurance premium tax and alcohol and tobacco duties.

**Property taxes** – Taxes on the ownership, sale, transfer or occupation of property.

**Planet taxes** – Taxes and duties levied on the supply, use or consumption of goods and services that are considered to be harmful to the environment, including vehicle excise duties.

# Appendix 3

## Taxes borne and collected by participants of the 2019 100 Group survey

Taxes borne	£ 2019
<b>Taxes on profits (profit taxes)</b>	
Corporation tax	6,183,507,050
Petroleum revenue tax	-380,184,986
Betting and gaming duty	329,107,929
<b>Taxes on property (property taxes)</b>	
Business and cumulo rates	4,850,358,220
Stamp duty land tax	285,576,791
Stamp duty and stamp duty reserve tax	143,694,904
Bank levy	1,744,853,634
<b>Taxes on employment (people taxes)</b>	
PAYE agreements (tax on benefits)	116,869,495
Employer national insurance contributions	6,872,965,107
Net apprenticeship levy	217,672,113
<b>Taxes on consumption (product taxes)</b>	
Irrecoverable VAT	3,802,343,607
Insurance premium tax	60,931,965
Customs duty	329,628,136
Air passenger duty	24,619,488
Vehicle excise duty	87,944,390

Taxes borne	£ 2019
<b>Environmental taxes (planet taxes)</b>	
Landfill tax	23,085,182
Aggregates levy	494,748
EU ETS	45,236,990
Carbon reduction commitment	97,578,418
Climate change levy	197,762,614
Congestion charge	3,556,220
<b>Total tax borne</b>	<b>25,037,602,015</b>

<b>Taxes collected</b>	<b>£ 2019</b>
<b>Taxes on profits (profit taxes)</b>	
Tax deducted at source	2,515,950,047
<b>Taxes on property (property taxes)</b>	
Stamp duty reserve tax	179,606,190
<b>Taxes on employment (people taxes)</b>	
Income tax deducted under PAYE	14,058,374,825
Employee national insurance contributions	4,202,815,478
<b>Taxes on consumption (product taxes)</b>	
Net VAT	8,659,770,693
Insurance premium tax	1,750,483,034
Fuel duty	17,173,479,223
Tobacco duty	4,526,309,383
Alcohol duty	3,314,868,436
Air passenger duty	720,032,000
Soft drinks industry levy	10,702,414
Customs duty collected	4,041,174
Import VAT collected	38,395,779

<b>Environmental taxes (planet taxes)</b>	
EU ETS	355,000
Landfill tax	121,416,457
Climate change levy	103,497,131
<b>Total tax collected</b>	<b>57,380,097,264</b>



# Appendix 4 – Key contacts



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# Notes

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# Notes

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[www.pwc.co.uk/totaltaxcontribution](http://www.pwc.co.uk/totaltaxcontribution)

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