

Total Tax Contribution Surveying The Hundred Group

*Our 2011 survey for
The Hundred Group:
reflecting a changing
economic environment
and an evolving tax system*

February 2012



About The Hundred Group of finance directors

The Hundred Group represents the views of the finance directors of FTSE 100 and several large UK private companies. Our member companies represent over 80% of the market capitalisation of the FTSE 100, collectively employing over 7% of the UK workforce and in 2011, paid, or generated, taxes equivalent to 13% of total UK Government receipts. Our overall aim is to promote the competitiveness of the UK for UK businesses, particularly in the areas of tax, reporting, pensions, regulation, capital markets and corporate governance.

About PwC

PwC firms help organisations and individuals create the value they're looking for. We're a network of firms in 158 countries with close to 169,000 people who are committed to delivering quality in assurance, tax and advisory services. Tell us what matters to you and find out more by visiting us at www.pwc.com.

Foreword

Welcome to the 2011 Total Tax Contribution survey for The Hundred Group. This is the seventh year we have carried out this survey and it would not have been possible without the help of members of The Hundred Group of finance directors who continue to show their interest in and commitment to this piece of research. The survey collects data on The Hundred Group members' tax payments and represents an authoritative perspective of the impact of the UK tax system on business.

There has probably never been greater public interest in how much tax is paid by large companies in the wake of the financial crisis, the need to repair public finances and concern about whether companies are paying 'the right amount' of tax. Transparency around tax policy and tax payments has therefore continued to be high on the agenda of a range of external stakeholders, including civil society organisations and the Government.

The Government's economic policy objective is to achieve strong, sustainable and balanced growth which is essential to secure lasting prosperity for the UK. A fiscal policy which puts the public finances onto a more sustainable basis is paramount, and to help achieve this it is the Government's ambition to create the most competitive tax system in the G20. The Government is looking to make sure that the UK has an economic environment which is capable of attracting the investment needed to achieve this goal.

The UK has to compete with other countries for business, investment and employment and the country's fiscal regime is a key part of the economic environment which will make it more or less attractive as a location for business. It is vital therefore that Government and business work together to continue to foster investment and employment opportunities.

We know that the Government is committed to adopting a consistent and high quality approach to consultation and dialogue, engaging on all significant changes to taxes that impact businesses in the UK. The results from the PwC Total Tax Contribution surveys continue to inform that dialogue and this year there are some very interesting and perhaps surprising results. These include the fact that tax payments made by the members of The Hundred Group in the survey period have increased compared to last year and are now at levels which are on a par with the payments that were being made before the recession. This increase has been driven not only by an economy that is slowly recovering from recession, but also by changes to tax legislation which were introduced during the survey period.

We thank the participant companies for their continued support for the survey and encourage business leaders to engage around the tax agenda. The survey will be repeated in 2012 and the intention is to develop the data requested to look at the wider economic contribution made by member companies.



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Contents

<i>At a glance: 2011 survey findings</i>	2
<i>Executive summary</i>	4
<i>Purpose and outline of the survey and this report</i>	6
<i>The contribution made by The Hundred Group</i>	8
<i>Taxes borne and taxes collected – profiles and trends</i>	12
<i>More detail by tax base</i>	16
Profit taxes	17
People taxes	19
Product taxes	22
Property taxes	23
Planet taxes	24
<i>Industry analysis</i>	25
<i>Who has responsibility for the taxes?</i>	28
<i>How companies use their Total Tax Contribution</i>	30
<i>Looking forward</i>	32
<i>Appendices</i>	
Appendix I: List of UK taxes borne and collected by companies	34
Appendix II: Taxes borne and collected reported by the participants in the 2011 survey	35
Appendix III: List of companies invited to participate in the survey	36
Appendix IV: Total Tax Contribution publications	37
Appendix V: Team contact details	38

At a glance

2011 survey findings

91 companies

Record participation

A record 91 companies participated in the 2011 survey, which is 90% of The Hundred Group membership by market capitalisation.

Major contribution

Companies in The Hundred Group continue to make a major contribution to UK public finances. They paid an estimated £67.7bn in the period in taxes borne and taxes collected, which is equivalent to 13.0% of total Government receipts.

13%
(£67.7bn)

46.6%

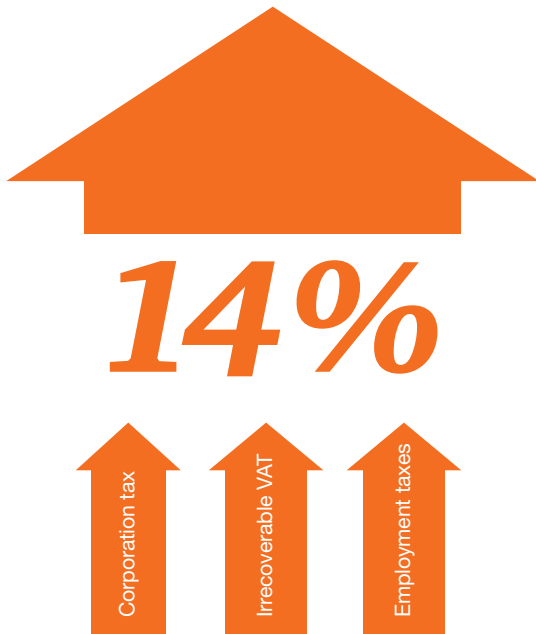
Value distributed

46% of the value distributed by the companies that participated was paid to the Government in taxes borne and taxes collected.

Increase in tax payments

Tax payments have risen substantially since last year and are now at similar levels to those payments made before the economic recession. Payments are up 14.0%.

Tax payments back to pre-recession levels

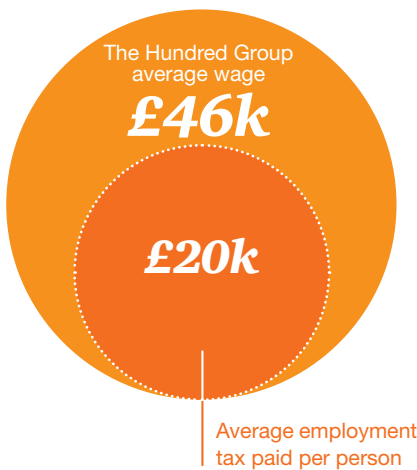
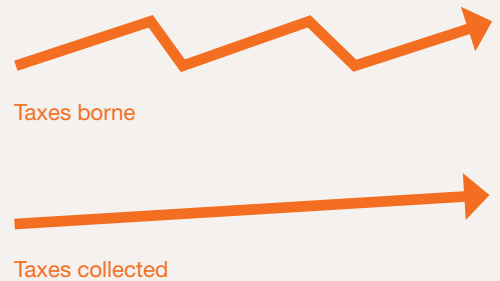


Drivers for the payment increase

The increase in tax payments has been driven by a rise in the taxes borne. Corporation tax, irrecoverable VAT and employment taxes (which includes the bank payroll tax) have all increased significantly reflecting improving profitability, and a number of the legislative changes introduced by Government.

Tax trends

Taxes borne by The Hundred Group companies have been volatile during the years covered by the survey period (since 2006) largely driven by corporation tax and fluctuating profitability. Taxes collected have been more stable.

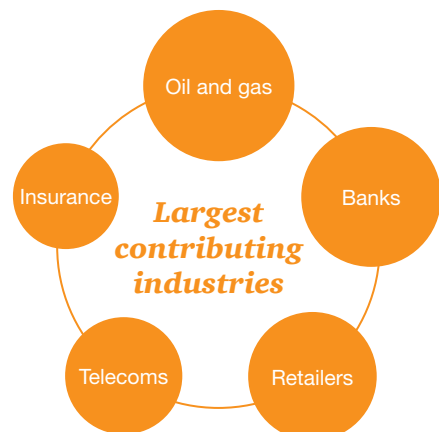


Large employers in the UK

The Hundred Group companies are large employers in the UK. The survey estimates that they employ 2.1m people (7% of the workforce) and that they pay them an average wage which is almost twice the national average, £46k as compared with £26k. The employment taxes paid on average per person in The Hundred Group are almost £20k.

Largest contributing industries

While the oil and gas companies still make the largest Total Tax Contribution; four other sectors also make large contributions, the banks, the insurance companies, retailers and those in telecoms and broadcasting.



Executive summary

Making a contribution and a return to pre-recession levels

The survey shows that The Hundred Group companies continue to make a major contribution to the UK economy. The Total Tax Contribution for the entire membership is estimated at £67.7bn which is equivalent to 13.0% of total UK Government receipts for the year. A little under half (46.6%) of all value distributed by these companies is paid to Government in taxes borne and collected with a further 29.9% going to employees in wages and salaries.

The tax payments made by these companies have risen significantly over the last year and are now back at similar levels to those that existed before the financial crisis and the recession.

Taxes borne have risen by 37.8% for the companies which have participated in both the 2010 and 2011 surveys and this is largely driven by corporation tax which accounts for 22.4% points of the increase. During the recession, profits fell and companies paid less corporation tax. With returning profitability, corporation tax payments have recovered strongly. In addition, increases in taxes implemented by Government through legislative change have also boosted payments. The one-off bank payroll tax paid in this survey period, and increases in other taxes borne such as irrecoverable VAT are good examples of this. Both legislative changes and economic conditions have driven the increase in taxes borne.

This is the seventh year that the Total Tax Contribution survey has been carried out by PwC for The Hundred Group. These surveys have always been well supported and this year is no exception. A record 91 companies took part in the survey providing data on all their UK taxes borne and collected.

This year's survey looks at payments in these companies' accounting periods ended in the year to 31 March 2011. Through the surveys an extensive bank of data has been built up which shows how UK tax payments by these companies have changed over time, affected by changes in tax rates and regulations and by the economic cycle. The last three surveys have spanned a difficult period for the global economy including the UK. The 2009 survey saw the start of the global financial crisis, the 2010 survey covered a period of economic recession and this 2011 survey sees some evidence of economic recovery.

Taxes collected have remained relatively flat over the last year (1.9% increase). The introduction of the 50% higher rate of income tax and the withdrawal of personal reliefs for higher income earners have largely driven the increase in taxes collected, but this has been offset by falls in excise duties and tax deducted at source during the year.

Volatility reflected in the tax system

The trends reflected in the Total Tax Contribution survey over the years show a stark difference in the volatility of taxes borne when compared with taxes collected. Movements in the level of taxes borne have been largely driven by corporation tax, a tax which is directly related to profits. Rapid falls in profitability during the recession sparked a similarly rapid fall off in the amounts of corporation tax paid to Government, and recovery in profitability in the wake of the recession has brought a similar recovery in tax payments.

Taxes collected on the other hand include a range of taxes that are not directly related to profitability including employment taxes, VAT and excise duties. The trend for these taxes has been much more stable. With Government looking for stability and predictability, these taxes have proven to be a more predictable source of revenues.

It is interesting to note that profit taxes, including corporation tax, account for 19.5% of all of the taxes paid by The Hundred Group members. This suggests that receipts from The Hundred Group are vulnerable to the volatility of these taxes, a volatility which is clearly seen in the results of the Total Tax Contribution surveys.

Employment – key for business and Government

Employment is an important way in which The Hundred Group companies contribute to the UK economy and this includes the employment taxes that are paid to the Exchequer. A consistent message conveyed by the results of the Total Tax Contribution surveys has been that companies in The Hundred Group pay many taxes in addition to corporation tax. Employment taxes are the second biggest tax after product taxes for these companies. These taxes account for 10.0% points of the increase in taxes borne. It is estimated that members of The Hundred Group employ 2.1m workers (7% of the entire UK workforce) and generate £23.4bn in employment taxes (which accounts for 10.1% of total Government receipts for these taxes).

The average salary paid by The Hundred Group participants to each employee was £46,054 in 2011, much higher than the UK national average wage of £26,200 for that period. Average employment taxes paid per employee on this salary were £19,958. Employment taxes are a good indicator of the direct benefit to the Exchequer of jobs created and maintained by companies.

The industry picture

While The Hundred Group is a cross-industry sector organisation and participants represent a wide range of industries, the results of this survey have consistently shown that a large proportion of the tax payments made are concentrated in a small number of industry sectors. Banks and the oil and gas companies were the key contributors in the 2008 and 2009 surveys. In 2010 insurance and retailers combined with these sectors to account for around two thirds of tax payments. In 2011 adding the telecoms and broadcasting companies to these, accounts for three quarters of the Total Tax Contribution.

What the future holds

While the world economy returned to growth in the aftermath of the economic recession, the pattern of growth has been inconsistent. The global economic outlook continues to be uncertain so the pressure on UK Government to help create an economic environment which encourages growth is intense. Creating a tax system which helps attract investment, fosters growth and which makes the UK a place where companies want to do business is a priority. The Government's approach is to address two key areas; tax competitiveness and tax simplification.

The Total Tax Contribution surveys have gathered data since 2005, and the results have been useful, providing information that has assisted the debate about the shape and competitiveness of the business tax system. It will be important to continue to collect this data to help monitor future changes in the economic environment and in particular to assess the impact on business of new policy changes the Government makes to the UK tax system in order to achieve its objectives.

This survey will be repeated in 2012 and to make it even more insightful and helpful to the policy debate, it is hoped that the questionnaire will be extended to put the contribution made by member companies into a wider economic context – looking beyond tax at the companies' direct economic contribution.

Purpose and outline of the survey and this report

This is the seventh consecutive annual Total Tax Contribution survey PwC has carried out on behalf of The Hundred Group.

Purpose

The purpose of these surveys is to provide information to assist the debate about the shape and competitiveness of the business tax system in the UK. The survey is recognised as a valuable source of data that is not otherwise available either for Government or for business. The results show how the UK tax system impacts large business and the contribution that these companies make to the public finances. The survey results have been discussed with Government and other interested parties and are published for a wider audience.

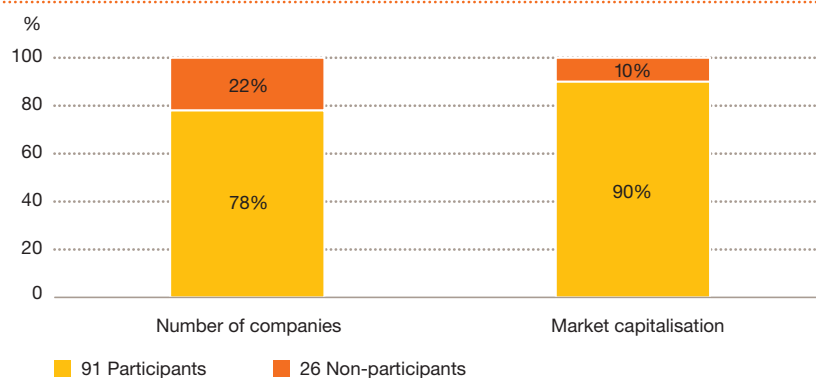
Participation

The Total Tax Contribution surveys have been well supported by The Hundred Group membership since they began in 2005 and this support has continued in the 2011 survey.

66 Companies participated in 2005, and the number has steadily increased over the years. 91 Companies provided data¹ for the 2011 survey, representing 90% of The Hundred Group membership by market capitalisation (see figure 1).

Ever increasing public interest in how much tax is paid by large companies, the need to repair public finances, and concern about whether companies are paying 'the right amount' of tax have all contributed to the need for transparency around tax policy and tax payments. These remain high on

Figure 1. 91 companies provided data for the 2011 survey



The bar chart shows participation by number of companies and by market capitalisation.

1. This includes companies that have contributed data in all Total Tax Contribution studies conducted for The Hundred Group and have been members.

the agenda of a range of external stakeholders, including Government and civil society organisations. It is perhaps therefore not surprising that understanding and being able to demonstrate that companies pay many more taxes than just corporation tax is important and that a high level of interest and participation in this survey has been sustained. This helps make sure that the public debate around a complex subject is well informed.

It is encouraging to see an increasing number of companies communicating more about their tax affairs and payments and in doing so they are helping to shape the debate around tax policy and about what makes good tax reporting. This is a good response to the challenge laid down by David Gauke, the Exchequer Secretary to the Treasury, in his speech at last year's launch of the Total Tax Contribution survey *'to be more transparent about the tax (companies) pay, and explain the story behind the figures.'*

Total Tax Contribution methodology

The survey collects data from The Hundred Group companies on all of their UK tax payments. It uses the PwC Total Tax Contribution methodology, which looks at all the different taxes companies pay and administer, including employment taxes, VAT and other taxes as well as corporation tax. Total Tax Contribution includes both taxes borne and taxes collected.

Taxes borne are those taxes that are a cost to the companies and affect their results. Taxes collected are taxes which while generated by a company's operation, do not directly affect their results, but which are administered on behalf of Government.

The 2011 survey uses data collected on The Hundred Group members' tax payments for their accounting period ended in the year to 31 March 2011. The majority of participants (53%) submitted data for their December 2010 year end. 24% of participants have 31 March year ends while the remainder have other year ends spread throughout the survey period.

PwC has anonymised and aggregated the data to produce the survey results. PwC has not verified, validated or audited the data and cannot give any undertaking as to the accuracy of the survey results. Data was also extrapolated to provide an estimate of the Total Tax Contribution for the membership of The Hundred Group as a whole.

This report

The main focus of this report continues to be the contribution made in taxes borne and taxes collected, but using certain additional economic data it is also possible to put the results of the survey into the broader context of the overall value distributed.

Using the extensive bank of data from previous surveys, the report identifies movements in the most recent years covering the recession and its aftermath. It also looks at the trends over the longer term using data stretching back to the first survey in 2005. These movements and trends provide useful insights which help to identify the main drivers of the contribution which is made by The Hundred Group to the public finances and how it has changed over time.

The report looks at the detail of how the changing economic environment and legislative changes introduced by Government have impacted these trends by focussing on each tax base (profit taxes, people taxes, product taxes, property taxes and planet taxes). It also provides an analysis of the results in the context of some of the key industries that make up The Hundred Group membership.

Data on who within companies takes responsibility for the taxes that they pay, and how companies are using the data generated by the Total Tax Contribution survey is also provided.

The final section takes a look at what can be expected in the near future in terms of the economic environment and legislative change and how the questionnaire can be developed to look at the wider contribution of the membership.

An aerial photograph of a city street. The street is paved with light-colored tiles and has a yellow curb. A few people are walking on the street. One person is walking alone on the left, and a group of three people is walking together on the right. The background is a clear blue sky.

The contribution made by The Hundred Group

*The Hundred Group members
comprise many of the UK's largest
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year's survey show that they continue
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UK economy.*



The Hundred Group members comprise many of the UK's largest companies and the results from this year's survey show that they continue to make a major contribution to the UK economy. The participating members reported global revenues of £1,692bn², and of this, they reported UK revenues of £513.6bn this year. They employed 1.9m UK employees and made a UK Total Tax Contribution of £60.8bn.

The Total Tax Contribution

Extrapolating from the data provided, we estimate the Total Tax Contribution for the entire Hundred Group membership to be £67.7bn, which accounts for 13.0% of all Government tax receipts^{3,4}. Figure 2 shows the data reported and the extrapolated figures. A breakdown of the data reported by tax is in Appendix 2.

The tax payments made by companies in The Hundred Group have increased since last year. Figure 3 shows that comparing the payments made by these companies (after restating the 2010 extrapolated total to include new Hundred Group companies in 2011), there has been a 14.0% increase in the Total Tax Contribution which is £8.3bn. This can be attributed both to the slowly improving economic environment with the associated increase in overall corporate profitability and also to legislative changes made by Government which have affected a number of the taxes borne and collected by these companies. Figure 3 also shows that this increase in tax payments means that they are now back at levels similar to those that were being paid before the financial crisis and the economic recession.

Figure 2. Total Tax Contribution of The Hundred Group 2011

	Survey participants (£m)	Extrapolated to the 100 Group (£m)	Government receipts
Corporation tax	9,077	9,772	23.2*%
Other taxes borne	13,923	15,268	
Taxes borne	23,000	25,040	4.8%
Taxes collected	37,756	42,708	8.2%
Total Tax Contribution	60,756	67,748	13.0%

*Percentage of corporation tax receipts

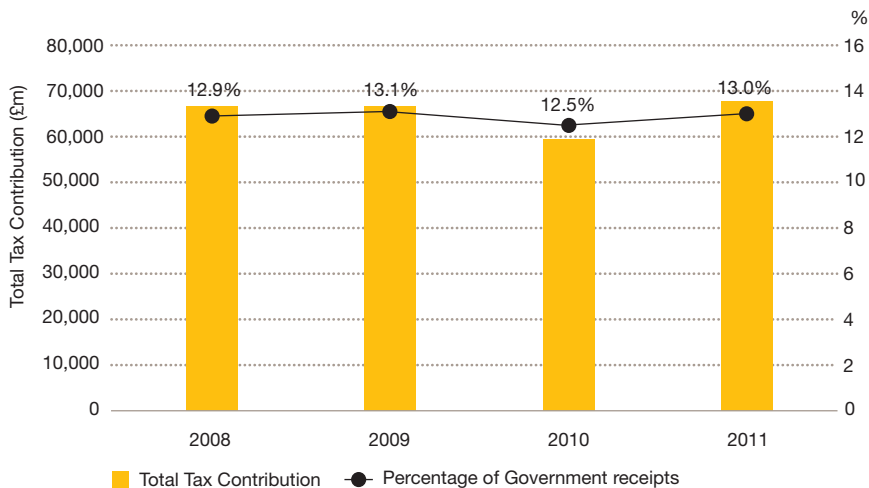
2. Source: Datastream.

3. Extrapolation has been carried out on a conservative basis using data on corporation tax from published accounts, if available, or data on revenues if not available, and applying ratios from companies in the same industry sector.

4. Government receipts from Office of Budget Responsibility – Economic and Fiscal outlook November 2011.

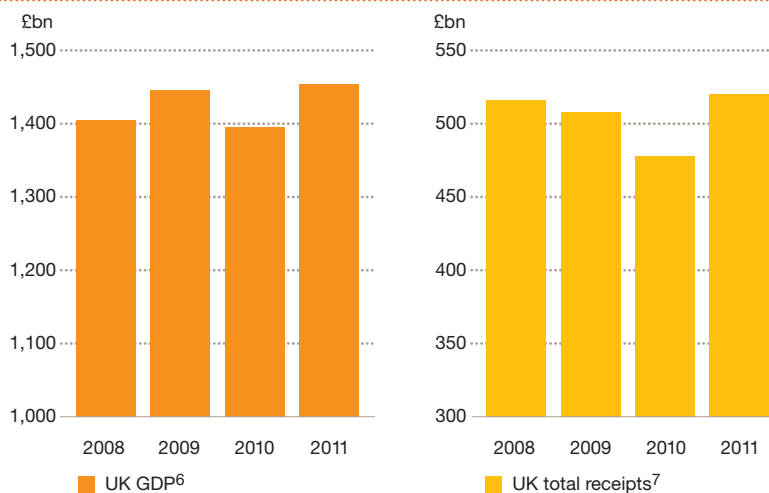
It is interesting to compare the movement in taxes paid by The Hundred Group members with UK Gross Domestic Product (GDP) and with the total tax receipts received by Government. Figure 4 shows that UK GDP also recovered in 2011 to levels similar to those existing before the recession, along with total Government tax receipts.

Figure 3. Total Tax Contribution of The Hundred Group 2008-2011



The chart shows the trend in extrapolated Total Tax Contribution payments as a percentage of Government receipts⁵.

Figure 4. UK GDP and total UK Government tax receipts



The chart shows the UK GDP and UK Government total tax receipts.

5. Prior years have been restated to include new members.

6. Source: IMF World Economic Outlook database for calendar years 2007-2010.

7. Source: 2010, 2011 Office for Budget Responsibility; 2008, 2009 HM Treasury Budget.

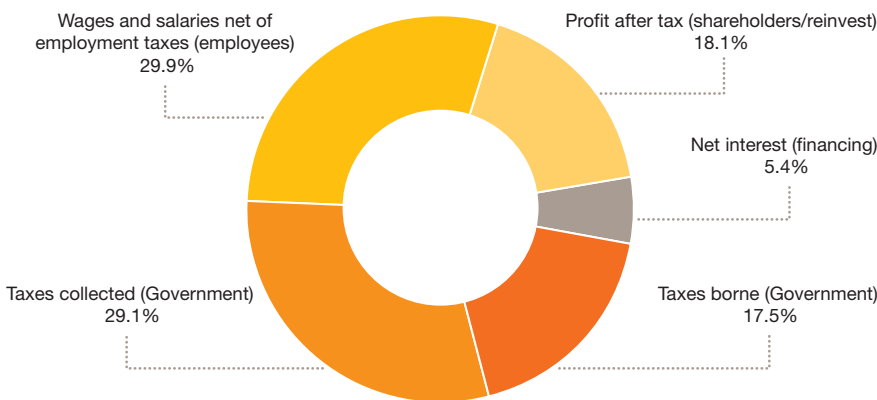
Total Tax Contribution as part of the wider economic contribution

The Total Tax Contribution made by companies is important for Government and the national finances, but it is also important to recognise this as part of the wider economic contribution these companies make.

At a national level economic activity is commonly measured by the GDP which is probably one of the most reliable economic indicators. The contribution that companies make to GDP is typically measured by calculating the Gross Value Added (GVA), which is a measure of the economic value of a company. The Total Tax Contribution survey collects certain data in addition to taxes paid, which we are able to use to calculate a number which approximates the GVA, or the value which a company distributes. Participating companies provided data for; UK profits, the numbers of people employed and the wages and salaries paid to those employees and the amounts paid in net interest to finance the business.

Figure 5 shows how this value has been distributed to different stakeholders; the shareholders, employees, Government and the providers of finance. 29.9% of value goes to employees in wages and salaries (net of employee taxes), 5.4% was paid in net interest on financing, 18.1% was used by companies to pay dividends to shareholders or to reinvest in the company, while the remaining 46.6% of value was distributed to Government as taxes borne or taxes collected. Over the years this percentage distributed to Government has been consistently in excess of 40%.

Figure 5. Value distributed by The Hundred Group companies



Taxes borne and taxes collected

Profiles and trends

Taxes borne profile

Figure 6 shows the profile of taxes borne, those taxes that are a cost to companies and which directly affect their financial results. Corporation tax remains the biggest tax cost representing 39.5% of total taxes borne. This is a higher percentage than in the 2010 survey (33.7%) but still lower than in 2008 (46.8%) and 2009 (44.0%). For every £1 of corporation tax there is £1.53 of other taxes. The second biggest tax is employers' National Insurance Contributions (NIC) (23.3%) followed by business rates (15.1%).

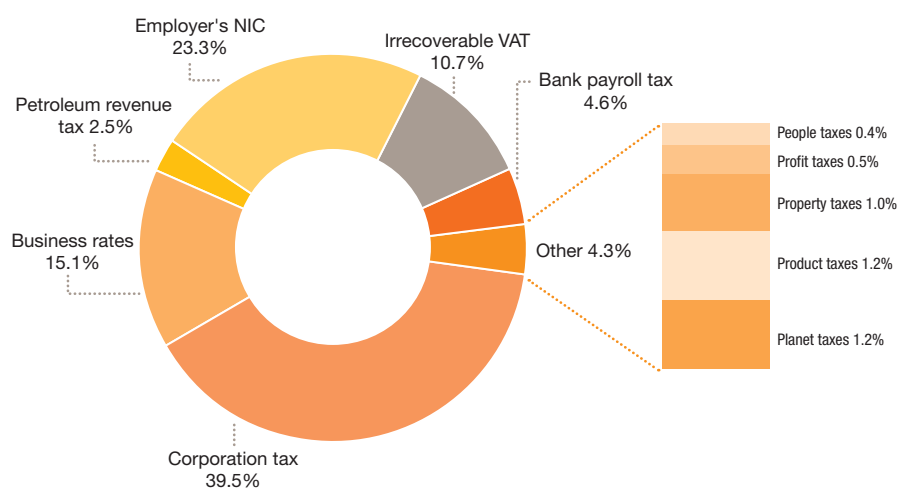
A significant addition to the taxes borne this year was the one-off bank payroll tax. This was charged on 2009

bonuses and the amount paid in this survey period totalled £1.1bn, representing 4.6% of the total taxes borne. This tax is specific to the financial services sector.

Taxes collected profile

Figure 7 shows the profile of the taxes collected, those taxes that are collected by companies on behalf of Government and which are generated as a result of the companies' activities. Employee taxes are now the largest component (38.8%) of total taxes collected for The Hundred Group, (up from 32.6%). This includes Pay As You Earn (PAYE) at 30.2% and employees' NIC at 8.6%. This is followed by fuel duties at 27.4%, which is a smaller element of the total than last year.

Figure 6. Taxes borne 2011 – by percentage



People taxes

PAYE agreements (tax on benefits)	0.4%
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Profit taxes

Betting and gaming duty	0.5%
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Property taxes

Stamp duty land tax	0.7%
Stamp duty and stamp duty reserve tax	0.3%

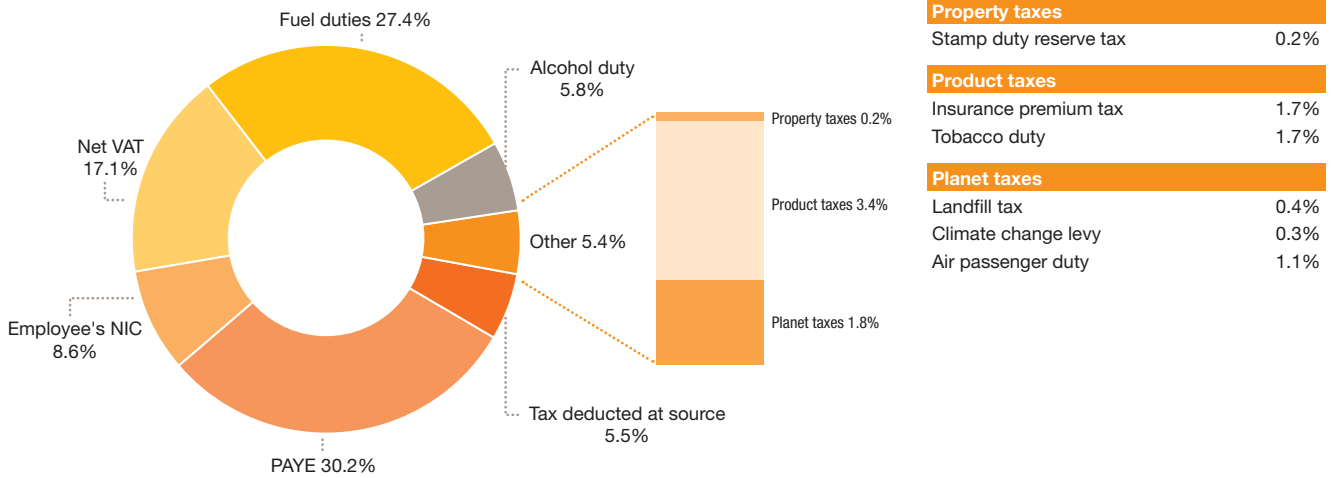
Product taxes

Insurance premium tax	0.1%
Customs duties	1.1%

Planet taxes

Vehicle excise duty	0.3%
Landfill tax	0.2%
Aggregates levy	0.2%
Climate change levy	0.3%
Air passenger duty	0.2%
Congestion charge	0.0%

Figure 7. Taxes collected – by percentage



Trends in tax payments

Most recently:

Tax payments are now being made at levels similar to those which existed before the start of the economic recession. For those companies that participated in both the 2010 and 2011 surveys, large increases in the taxes borne explain the increase, while taxes collected have remained relatively flat.

Taxes borne rose by 37.8% (see figure 8). Rising corporation tax payments account for 22.4% points of the increase in the period, while the introduction of the new bank payroll tax, which was paid for the first time in this survey period, accounted for 7.5%. The increases in the VAT rate from 15% to 17.5% and then to 20% in the 2011 survey period also contributed to the trend (3.6% points) with an impact on irrecoverable VAT. We take a more detailed look at these movements in the sections which follow.

By contrast, taxes collected increased by only 1.9% (see figure 8). Increases in employee taxes (mainly PAYE) and net VAT were offset by a fall in the amount of excise duties paid (mainly fuel duties) and tax deducted at source.

Figure 8. Trend in taxes borne and taxes collected 2010/2011 – by tax

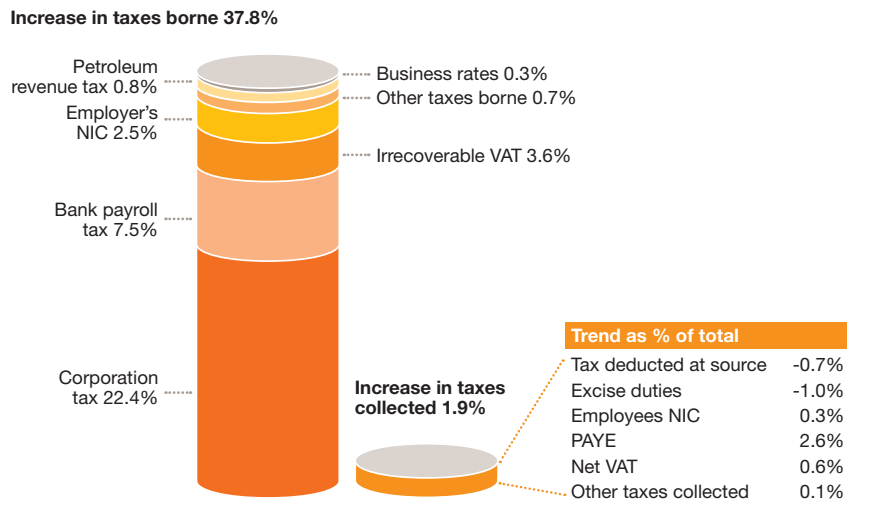
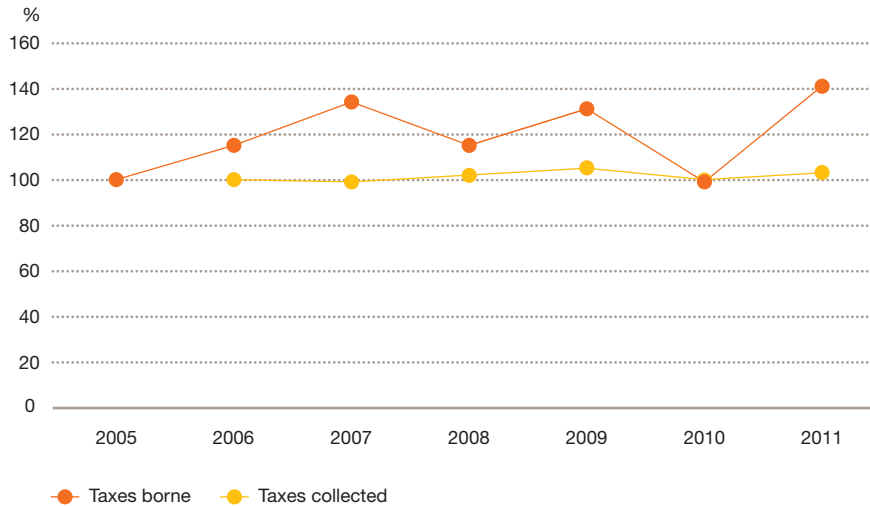


Figure 9. Trend for the companies taking part in all the surveys – tax payments 2005-2011



The chart shows the trend for companies that took part in all seven Total Tax Contribution surveys, using the 2005 or 2006 survey figures as appropriate as the baseline (100%).

And over the longer term

Figure 9 shows the trend in taxes borne and collected over all of the years covered by the surveys for those companies that have provided data in every year. 2005 is the base year survey for taxes borne, and the 2006 survey is the base for taxes collected⁸.

This graph illustrates how volatile taxes borne have been over the years of the survey with this volatility being largely driven by corporation tax. As profits fell rapidly during the recession, so the tax receipts from corporation tax fell, adding to the Government’s problems in trying to balance the budget. In the most recent period, profits have recovered and so too have corporation tax receipts.

The picture for taxes collected, which includes employment taxes, VAT and excise duties, shows a much more stable trend ending with a small increase of just under 2%. With Government looking for stability and predictability, these taxes have proven to be a more predictable source of revenues.

8. In the 2005 survey, data on taxes collected was not requested.

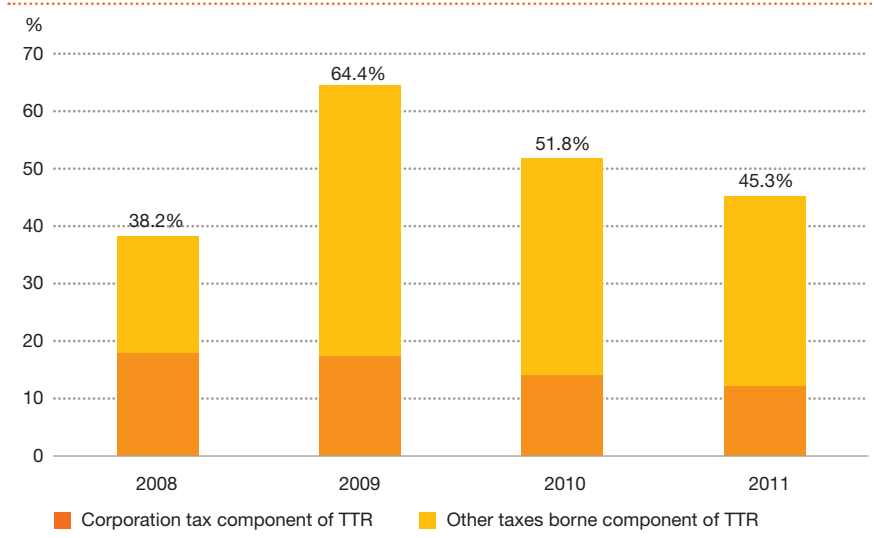
Trends in the Total Tax Rate

The average Total Tax Rate (TTR) for The Hundred Group companies taking part in the 2011 survey was 45.3%⁹. The TTR is a measure of the cost of all UK taxes borne in relation to UK profitability. The calculation is total taxes borne (corporation tax plus all other taxes borne) as a percentage of profit before total taxes borne. Taxes borne (such as business rates and employer's NIC) that are deductible in calculating the profit before corporation tax, are added back to arrive at a profit before total taxes borne.

Figure 10 shows the mean average TTR for participants in each survey. The TTR has continued to fall from its peak in the 2009 survey, but it is still

higher than the rate which applied before the recession. For The Hundred Group members, profits fell significantly during the recession (49% on average) and because the other taxes borne (that were not directly related to profit) did not fall in line with profits, the average TTR increased and peaked at 64.4%¹⁰ in the 2009 survey. Profits recovered in the 2010 and 2011 survey periods and as a result the average TTR has fallen. The TTR has however not fallen to pre-recession levels because of the increase in or introduction of taxes that are non-profit related, such as the increase in VAT rates and the impact on irrecoverable VAT, along with the introduction of the bank payroll tax.

Figure 10. Total tax rates for survey participants 2008-2011



9. Mean average. The range of results in 2011 was 1.57% to 183.8%.

10. The range of results in 2009 was 0.2% to 3,861.8% and the mean average was 146.6%. Two outlying results (over 1,000%) are excluded to give a trimmed mean average of 64.4%.

More detail by tax base

The five Ps

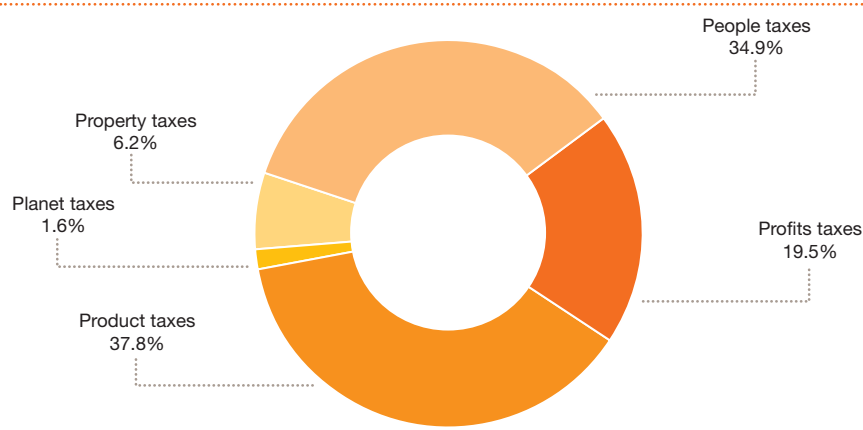
The PwC Total Tax Contribution framework identifies five categories of tax called the five Ps: profit taxes, people taxes, property taxes, product taxes and planet taxes. Each category is defined by the base which is used to determine and calculate the tax that has to be paid. Figure 11 shows the Total Tax Contribution of The Hundred Group participants by category of tax. The largest taxes paid are the product taxes, followed by people taxes, profit taxes, property taxes, with planet or environmental taxes being the smallest.

Based on an analysis undertaken by the Organisation for Economic Cooperation and Development

(OECD)¹¹, empirical evidence suggests that broadly speaking, corporate income taxes could be considered to be the most distortive and therefore most harmful taxes to GDP, while consumption taxes and property taxes are generally expected to be less so. As mentioned above, corporation tax has certainly been the most volatile of the taxes paid by The Hundred Group in the years covered by the Total Tax Contribution survey. Figure 11 shows that 19.5% of all of the taxes paid by The Hundred Group members are profit taxes, and this includes almost 15% which relates to corporation tax.

What follows is an analysis of each of the five Ps in turn.

Figure 11. Total Tax Contribution by type of tax 2011



11. OECD – Tax and Economic Growth – Economics Department Working Paper No.620 11 July 2008.

Profit taxes

Profit taxes are levied on income, profits and gains. They include both taxes borne (corporation tax, petroleum revenue tax, betting and gaming duty) and taxes collected (tax deducted at source, such as withholding tax on royalties and interest) (see figure 12).

Corporation tax is the largest tax borne by The Hundred Group members. For every £1 of corporation tax paid in 2011, these companies paid another £1.53 in other taxes borne and £4.16 in taxes collected. The proportion paid in corporation tax compared to other taxes has increased since last year given the significant increase in corporation tax payments as mentioned earlier in this report.

After restating the 2010 extrapolated total for corporation tax payments from last year’s survey to include new Hundred Group companies in 2011, there has been a 60% increase in corporation tax between 2010 and 2011 of £3.7bn (see figure 13). In 2011, it is estimated that The Hundred Group members accounted for 23.2% of total Government corporation tax receipts.

After falls in corporation tax payments in the 2010 survey, corporation tax payments by The Hundred Group participants are now back at levels which are similar to those seen before the recession.

Figure 12. Profit taxes borne and collected

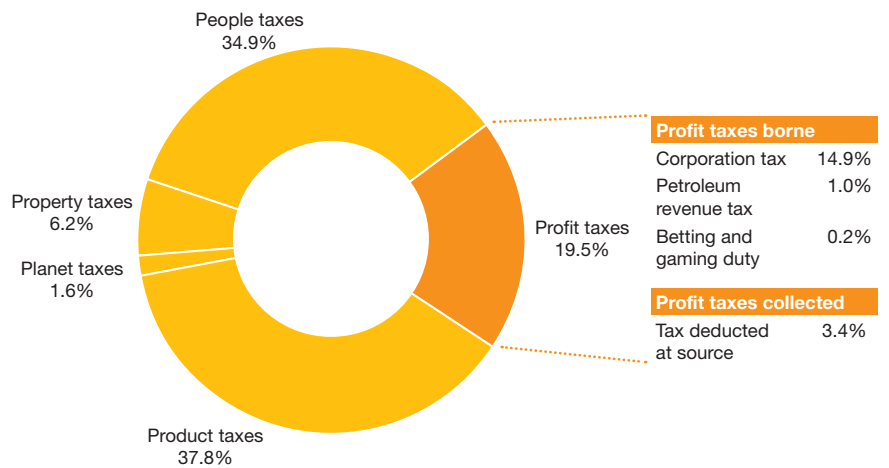
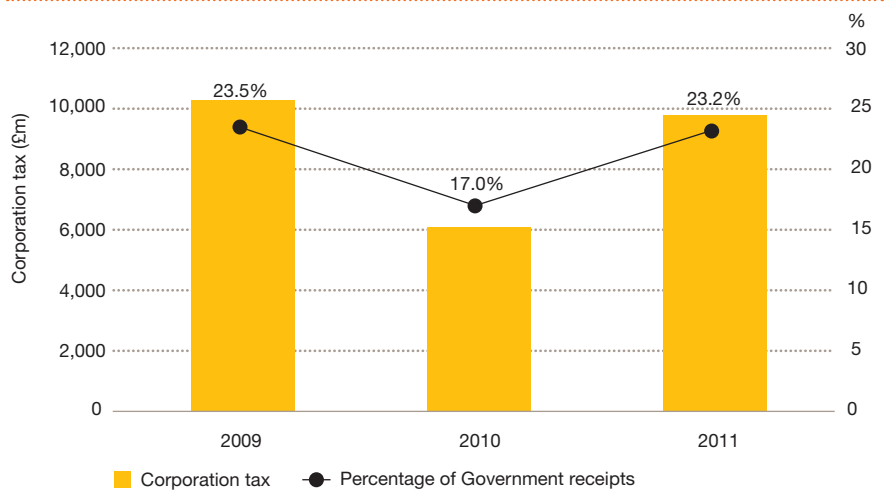


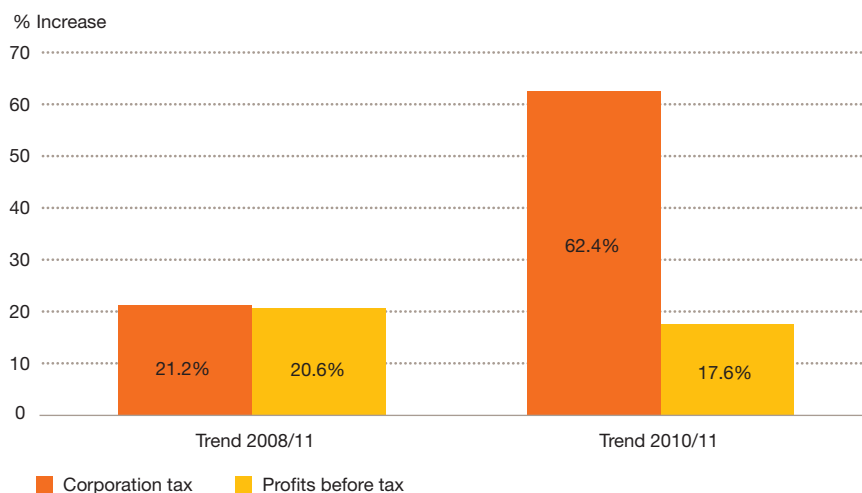
Figure 13. Corporation tax paid by The Hundred Group 2009-2011



The chart shows the trend in extrapolated corporation tax as a percentage of Government corporation tax receipts¹².

12. Prior years have been restated to include new members so that the extrapolated results can be compared.

Figure 14. Trend in corporation tax and profit before tax



This chart shows the trends in average corporation tax and average UK profits.

Unlike a number of the other taxes that are paid by The Hundred Group companies, the reason for the movement in corporation tax cannot be easily linked to legislative changes made by Government during the survey period. It is the underlying economic environment that appears to be mainly responsible for the recent changes to the level of these payments. In the 2010 survey, corporation tax payments reached their lowest point at 32% below the base year (2005) for those companies participating in each survey. In 2011, corporation tax payments are now 21% above those in 2005. Figure 14 shows that profits on average have risen in the 2011 survey compared to the 2010 survey, but that there has been a much steeper rise in the average corporation tax payments as tax losses available in previous years have been used. The average increase in profits and corporation tax over the longer period (from 2008 to 2011) shows a more precise matching of tax to profits – as most of the timing mismatch between the economic environment and its impact on the tax system is eliminated.

Corporate tax rates remained unchanged in the 2010-2011 period. The UK corporate tax rate will be reduced from 28% to 26% for the tax year 2011-2012. It will be interesting to see the extent to which this will affect future corporation tax payments.

The remainder of the profit taxes are made up of petroleum revenue tax (PRT) and betting and gaming duties. These additional sector specific taxes can be a significant part of the tax cost for the industries that bear them. For example, PRT is 16.6% of taxes borne by the oil and gas industry¹³ in addition to corporate tax (48.8% of taxes borne).

13. The Total Tax Contribution of the UK Oil and Gas industry – February 2012.

People taxes

People taxes are taxes on employment such as income tax (including tax collected under PAYE, and NIC) which are levied on employers and employees. In addition this year, the one-off bank payroll tax, which was charged on 2009 bonuses, is also included. People taxes, or employment taxes, are the second largest type of tax (34.9% – see figure 15) for The Hundred Group members.

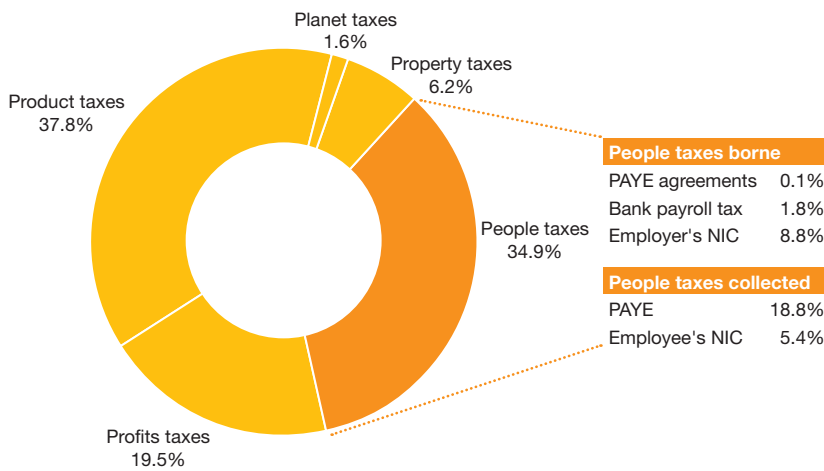
The Hundred Group companies are large UK employers and providing employment is an important part of how they contribute to the UK economy. Survey participants employed 1.9m workers in 2011 and paid a total of £21.2bn in employment taxes borne and collected (see figure 16). We estimate that the entire Hundred Group membership employed 2.1m

workers (7.2% of the entire UK workforce¹⁴) and generated employment taxes of £23.4bn which accounts for 10.1%¹⁵ of total Government receipts for employment taxes.

NIC borne and collected by survey participants were 8.9% of total Government NIC receipts, and income tax collected from employees under PAYE was 7.7% of total Government tax receipts from income tax¹⁶.

Figure 17 shows the trend in employee numbers, wages and salaries and employment taxes for those companies which participated in both 2010 and 2011 surveys. There were small falls in both employee numbers and wages and salaries over the last year (2.8% and 2.5%), but employment taxes increased by 13.7%.

Figure 15. People taxes borne and collected



14. Office for National Statistics, Labour market statistics, employment table EMP02. UK employment at December 2010: 29.16m.

15. Calculation is extrapolated employment taxes as a percentage of Government receipts for income tax under PAYE, all NIC receipts and bank payroll tax.

16. Government receipts from Office for Budget Responsibility – Economic and fiscal outlook, November 2011 Fiscal Supplementary Tables (Table 2.8 Current receipts). Receipts for NIC and income tax.

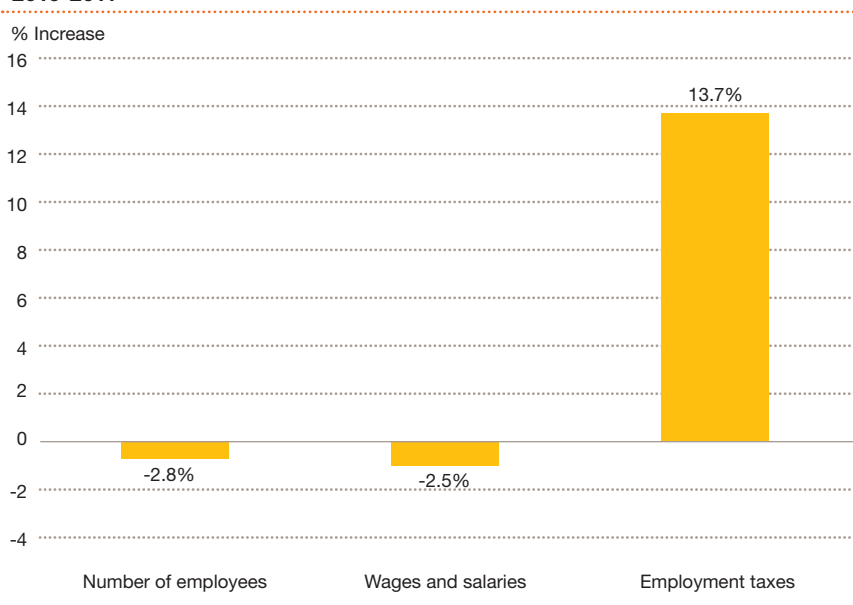
Figure 16. Employment taxes borne and collected 2011

Employment taxes borne		£000
Employer NIC		5,364,400
PAYE settlement agreements (PSAs) (tax on benefits)		86,295
Bank payroll tax		1,067,551
Total		6,518,246
Employment taxes collected		
Employee NIC		3,251,530
PAYE		11,417,399
Total		14,668,930
Total employment taxes borne and collected		21,187,176

Changes to employment taxes introduced by Government in the 2011 survey period explain these significant movements. The introduction of the bank payroll tax accounts for 6.0% points of the increase. This one-off tax was paid in this survey period and applied to bonuses awarded by banks¹⁷.

From 5 April 2010, the withdrawal of personal reliefs for higher income earners and a higher top rate of income tax have increased the tax collected under PAYE¹⁸. The increase in PAYE accounts for 4.4% points of the 13.7% increase while increases in NIC help account for the remainder of the increase.

Figure 17. Trend in employee numbers, wages and salaries and employment taxes 2010-2011



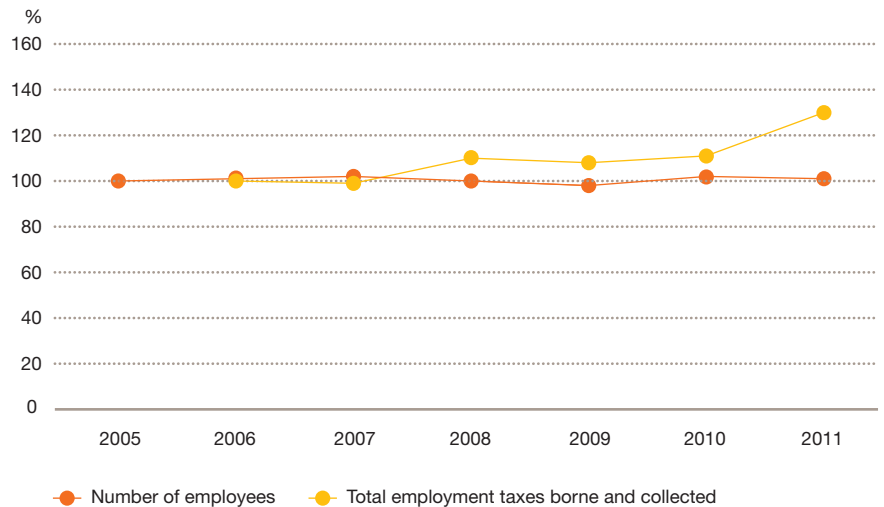
17. On bonuses awarded by banks from 9 December 2009 to 5 April 2010.

18. From 2010/2011, the personal allowance is reduced by £1 for every £2 adjusted net income above £100,000. This means that an individual with adjusted net income above £112,950 does not receive any personal allowance. Also from 2010/2011, a top rate of income tax of 50% applies to income over £150,000.

Looking over the longer term, figure 18 shows the trend lines for the number of employees and total employment taxes borne and collected over the period 2005-2011 for the companies which provided data in each of those years. This shows that the level of employment has been more or less stable for this group of companies over the last seven years, even during the recessionary period. There is however a striking contrast with the trend line for employment taxes, which shows a gradual increase from the 2008 survey and then a particularly marked increase from 2010 to 2011.

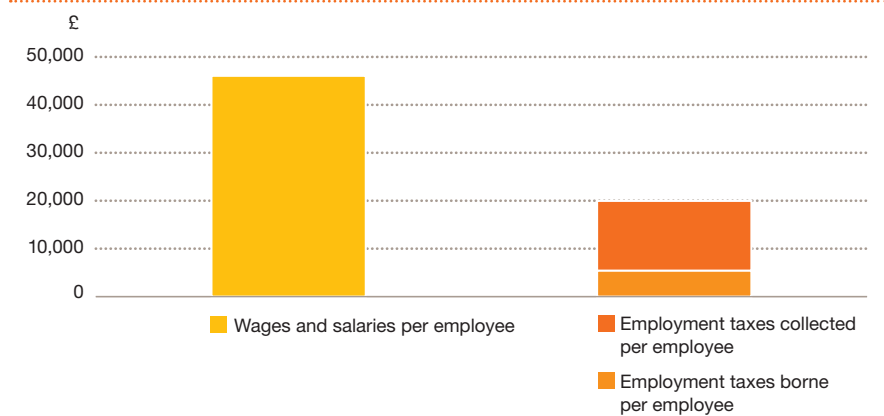
The Hundred Group employs highly skilled, well-paid workers. It has been a feature of all previous surveys that the average salary paid by The Hundred Group companies exceeds the national average wage by some margin. In 2011 the average salary paid was £46,054¹⁹, which is still well above the UK average national wage of £26,200²⁰. In line with these high wages the employment taxes paid on average in relation to each employee are also high. These taxes paid per employee give a good indication of the direct benefit to the Exchequer for each job created or maintained by these large employers. On average, £19,958²¹ per employee was paid in employment taxes (see figure 19). This figure has increased by 2.9% when compared with the 2010 survey. £14,569 of the employment tax is PAYE and NIC paid by the employee, while £5,389 is the amount on average paid in NIC by employers for each employee.

Figure 18. Trend for companies taking part in all the surveys: employee numbers and total employment taxes



The chart shows the trend for companies that took part in all seven surveys using the 2005 survey figures as the baseline (100%).

Figure 19: Average wages and salaries and employment taxes per employee in 2011



19. For the companies in the 2011 survey, the average salary per employee was £46,054, the median average £40,209 and the range of results £10,881 to £190,433.

20. Office for National Statistics – 2011 Annual Survey of Hours and Earnings.

21. For the companies in the 2011 survey, the average employee taxes per employee was £19,958, the median average £15,352, and the range of results £2,633 to £101,366.

Product taxes

Product taxes are indirect taxes on the consumption and production of goods and services. They include VAT, custom duties, insurance premium tax, alcohol and tobacco duties and fuel duties. Product taxes are the largest type of tax (37.8%) for The Hundred Group (see figure 20).

Survey participants reported a total figure of £8.9bn for VAT paid, made up of £2.5bn irrecoverable VAT borne and net VAT collected of £6.4bn. This represents 9.2% of total Government receipts from VAT.

The amount of VAT paid by The Hundred Group members increased between the 2010 and 2011 surveys. Figure 21 shows that output VAT increased by 13.1%, and irrecoverable VAT, which is a significant cost for the financial services sector companies in the survey, increased by 28.3% in the survey.

The VAT rate increases from 15.0% to 17.5% on 1 January 2010; and then to 20.0% from 4 January 2011 are the obvious explanation for the increase in output VAT. The increase in irrecoverable VAT is consistent with a finding in latest Total Tax Contribution study undertaken for the City of London. This shows an average increase in irrecoverable VAT of 24.0%²² for the UK financial services companies in the study in the period 2010/2011.

The Hundred Group members collected £10.3bn in fuel excise duties, accounting for over a third (37.9%) of the total fuel excise duties collected by the Government in the survey period. This total has fallen from 2010 despite increases in fuel duty rates²³. The downward trend is likely to be due to a combination of falling fuel consumption and an increased usage of fuel efficient vehicles.

Figure 20. Product taxes borne and collected

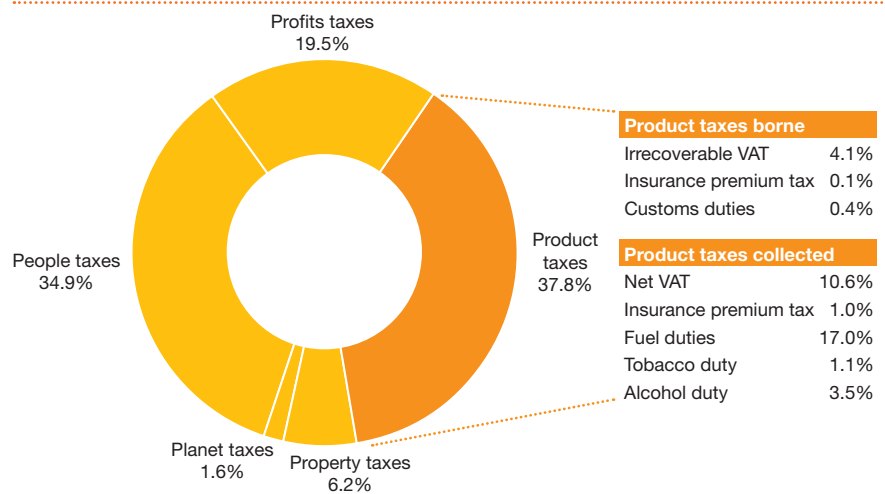
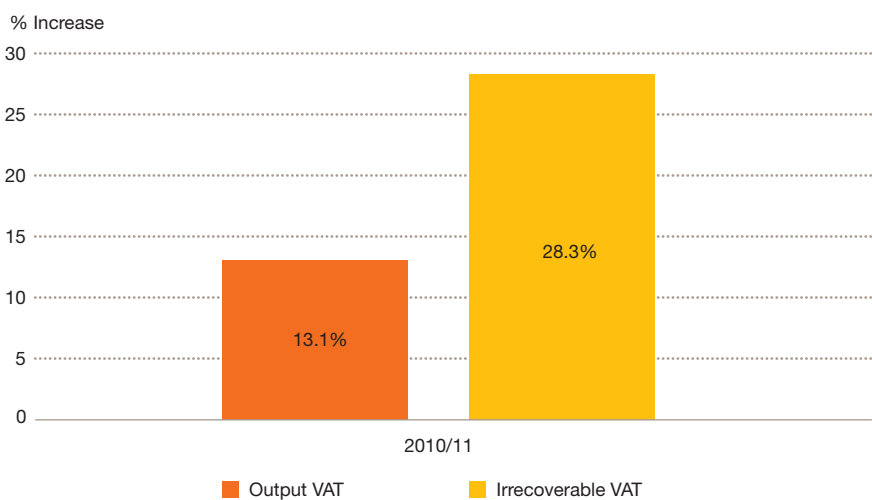


Figure 21. Trends in VAT payments 2010-2011



22. See *The Total Tax Contribution of UK Financial services*, December 2011.

23. Fuel duty rates increased by 1p in April 2010 to 57.19p per litre, a further 1p in October 2010 and 0.76p on 1 January 2011.

Property taxes

Property taxes are taxes on the ownership, sale or transfer of property and include business rates, stamp duty land tax, stamp duty and stamp duty reserve tax (see figure 22).

Property taxes represent only 6.2% of the Total Tax Contribution of The Hundred Group, but business rates are the third largest tax borne by these companies after corporation tax and employers NIC (see figure 6). Survey participants reported £3.8bn paid in property taxes borne and collected with most of this being business rates paid of £3.5bn. The business rates paid by The Hundred Group members accounts for 14.5% of total Government business rates receipts. They are the only large tax paid by business that is not administered by HM Revenue & Customs (HMRC)²⁴.

Business rates are determined by the ownership and value of property and have tended to be less affected by the recession compared with other taxes. In the last year, the trend for business rates showed an increase of 3.2%. This compares to a growth of 1.7% in Government receipts from business rates. In this period, changes in the business rates were introduced by Government which help explain the upward trend. A new rating list was published on 1 April 2010, resulting in an average 20% increase in rateable value for non-domestic property.

Over the longer term, as can be seen in figure 23, business rates paid by The Hundred Group companies have generally increased at a faster rate than the increase in business rates received by Government.

Figure 22. Property taxes borne and collected

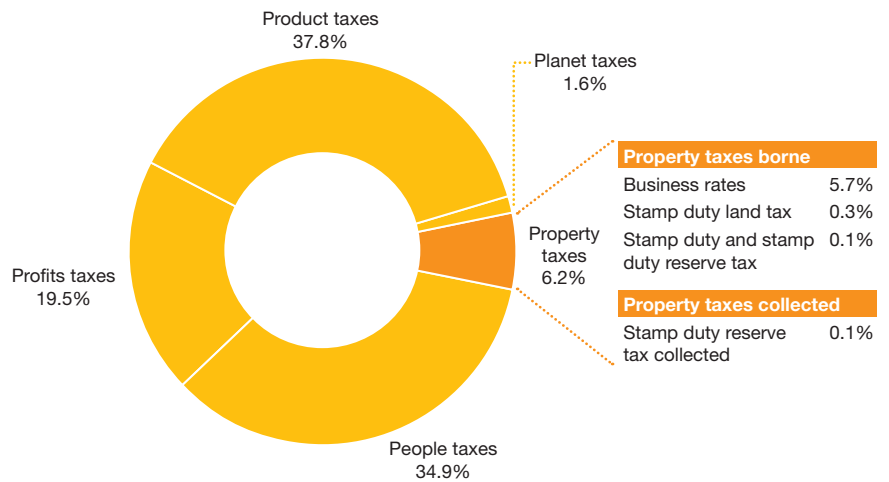
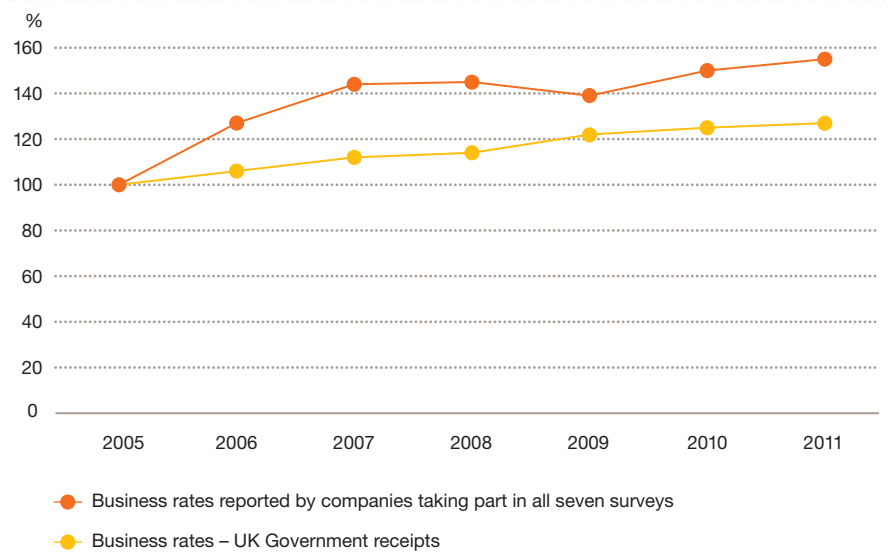


Figure 23: The trend in business rates



The chart shows the trend for companies that took part in all seven surveys using the 2005 survey figures as the baseline (100%). It also shows the increase in business rates received by Government.²⁵

24. Apart from business rates, the other taxes not administered by HMRC are vehicle excise duty and congestion charge, but these are smaller in amount.

25. Source: HM Treasury Budget and Office for Budget Responsibility.

Planet taxes

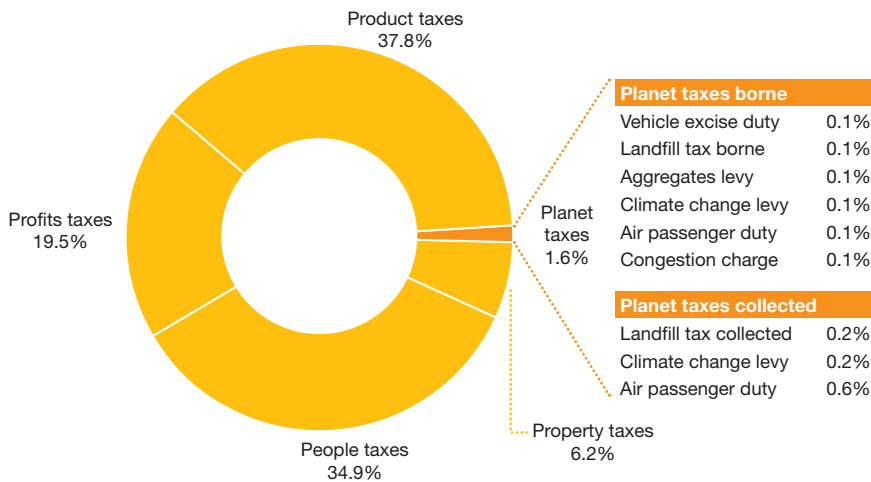
Planet taxes are those which have been introduced largely to encourage behavioural change in connection with the environment. They include taxes and duties levied on the supply, use or consumption of goods and services which are potentially harmful to the environment. The taxes borne are those paid by companies in relation to their own consumption of such goods while the taxes collected are those paid by companies when supplying these goods and services to their customers. Examples of planet taxes are air passenger duty (APD), aggregates levy, climate change levy, congestion charge, landfill tax and vehicle excise duty (see figure 24).

In this survey period, The Hundred Group participants paid £0.9bn (1.6% of Total Tax Contribution) in environmental taxes. This is the smallest contribution by category of tax.

There were some legislative changes to planet taxes this year. APD rates increased from 1 November 2009 and a four band structure was introduced based on geographical distance from London to the capital city of the relevant country, and class of travel. There were no changes in the aggregates flat rate of £2 per tonne in this survey period, but from 1 April 2012, the rate will increase to £2.10 per tonne. For landfill tax, the rate per tonne increased from £40 to £48 from 1 April 2010. From April 2011, the rate per tonne went up to £56.

Despite these changes, the trends show that over the last year, payments for planet taxes overall have decreased by 3.4% for those companies reporting these taxes in both the 2010 and 2011 surveys. The impact of these taxes continues to be small despite the Government’s stated position that climate change is one of the most serious threats that the world faces. The recession and the need to repair public finances has taken priority in recent budgets.

Figure 24. Planet taxes borne and collected

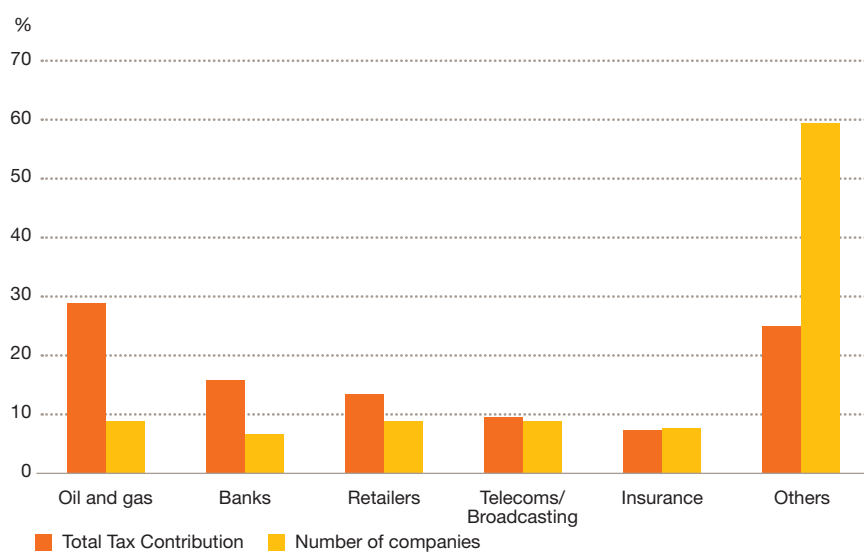


Industry analysis

The Hundred Group is a cross-industry sector organisation and participants in the survey represent a wide range of businesses. As in previous years, the 2011 results again highlight that tax revenues are heavily dependent on certain industry sectors, although the dominance of taxes paid by the oil and gas and financial services sectors has given way to some extent, with retailers and companies in the telecoms and broadcasting sectors now accounting for a more significant proportion of the total.

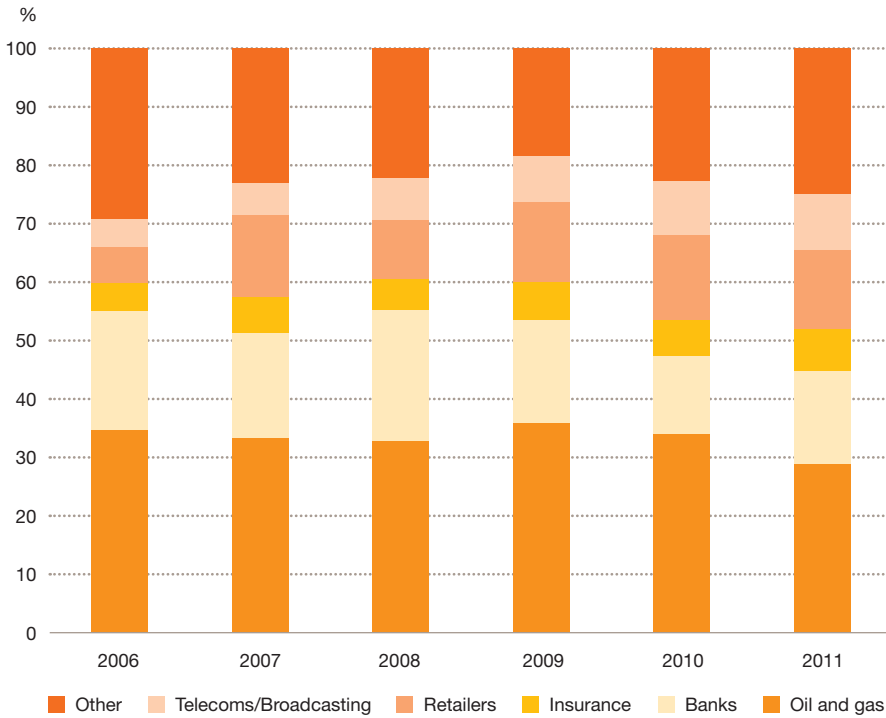
Figure 25 shows the distribution of the Total Tax Contribution between these five sectors and others. Together the five sectors account for 41% of the number of companies taking part in the survey, but they make 75% of the Total Tax Contribution payments.

Figure 25. Five sectors made a major contribution to the results



The chart shows those sectors who made a major contribution to the results in the survey and the number of companies in each of those sectors.

Figure 26. The contribution by sector has changed over time – Total Tax Contribution

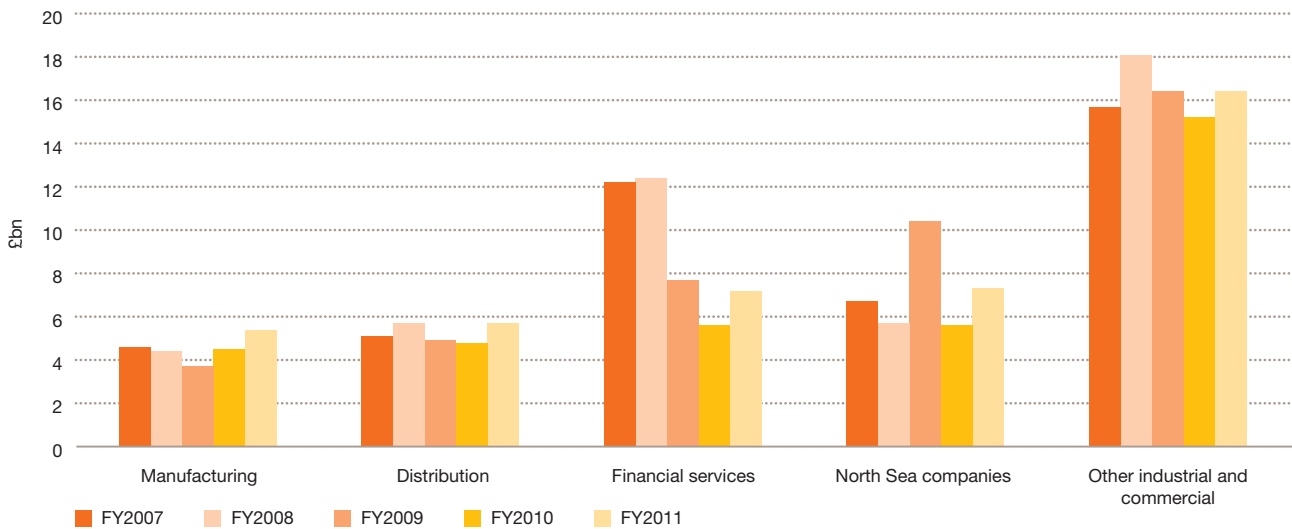


The chart shows the percentage contribution to the survey results by sector for the years 2006-2011.

Figure 26 shows how the proportions of the Total Tax Contribution accounted for by the five sectors have changed over time. This shows that the proportions contributed by the retail, telecoms and insurance sectors have increased while the proportions contributed by the banks and oil and gas sectors have fallen²⁶.

Oil and gas companies remain the largest tax contributors in the 2011 survey paying 28.9% of all taxes reported by participants. Government figures²⁷ for corporation tax show a consistent position with this result (see figure 27). They show oil and gas companies operating in the North Sea were the largest corporation tax payers in the fiscal year to 31 March 2011 and that together with the financial services sector they paid over a third (35%) of total Government corporation tax receipts.

Figure 27. Government corporation tax receipts by business sector



The chart shows the Government figures for corporation tax receipts.

26. It is important to note that there are different numbers of participants in each sector and that the number of participants in a sector may also vary year by year.

27. HMRC National Statistics, Corporation Tax – Table T11.1

Oil and gas

Over the last year, the proportion of The Hundred Group Total Tax Contribution made by the oil and gas companies in the survey fell by 5.0% to 28.9%. This has been driven mainly by lower fuel excise duty payments made by the sector. It will be interesting to see in future surveys how the Total Tax Contribution from the oil and gas industry will change in response to the increase in the rate of the supplementary charge from 20% to 32% (implemented by the Government from 24 March 2011) and the 1p per litre reduction in fuel duty (from 23 March 2011). A PwC study²⁸ undertaken with Oil and Gas UK in 2011 has indicated that many companies within the industry are re-examining their plans for investment in the UK North Sea, with over a third of the oil and gas companies that participated suggesting that they are considering scaling back future investments in the UK as a result of Budget 2011 measures.

Banks

The banks are again amongst the largest tax payers this year, contributing 15.8% of the Total Tax Contribution reported by participants in the survey. Recovering profitability, the introduction of the temporary bank payroll tax, increases in the VAT rate with consequential affects on irrecoverable VAT and the higher rate of income tax, have all contributed to an increase of 2.3% in the tax payments made by the banking sector in this year's survey. The introduction of the banking levy will impact next year's results.

Insurance

The insurance companies accounted for 7.4% of The Hundred Group Total Tax Contribution. Their Total Tax Contribution increased by 37.4% since 2010, of which the largest element was an increase in corporation tax. These results are consistent with the recent findings of the 2011 Total Tax Contribution study²⁹ prepared by PwC for the Association of British Insurers on the insurance industry. This study shows that the financial crisis and the recession depressed corporate profits and the level of transaction activity, which resulted in lower payments of corporation tax and stamp duties.

Telecoms and broadcasting

The telecoms and broadcasting sector contributes almost 10% of the Total Tax Contribution reported by the participants in the survey. Figure 26 shows how over the period 2006-2011, the tax payments of these companies have increased from 4.6% of the total in 2006 to 9.5% in this survey period. Corporation tax paid by telecoms and broadcasting companies now makes up 15% of all the corporation tax reported by The Hundred Group.

28. The *Total Tax Contribution of the UK Oil and Gas industry*, February 2012.

29. *Total Tax Contribution study of the contribution of the insurance industry to UK tax revenues*, August 2011.

Who has responsibility for the taxes?

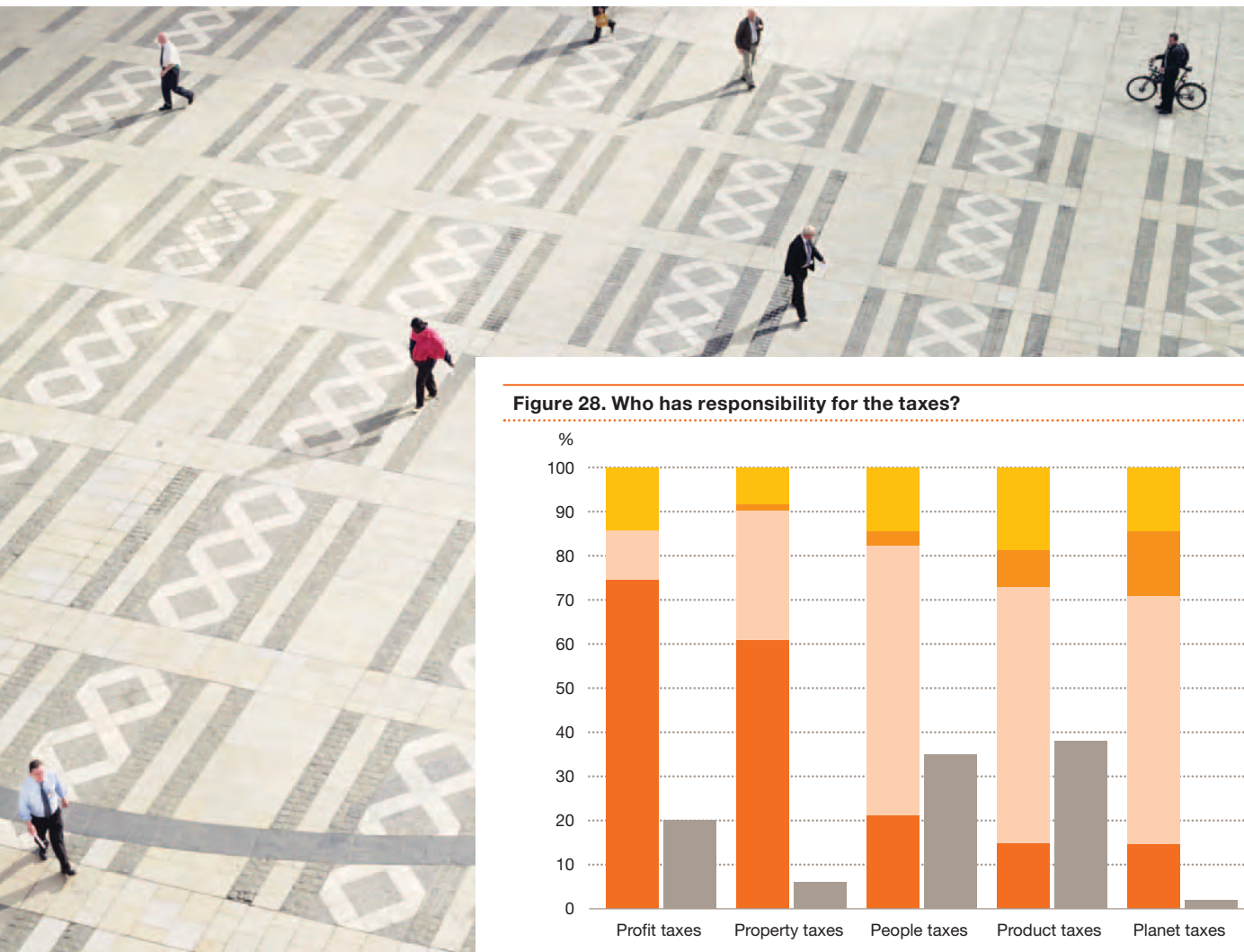
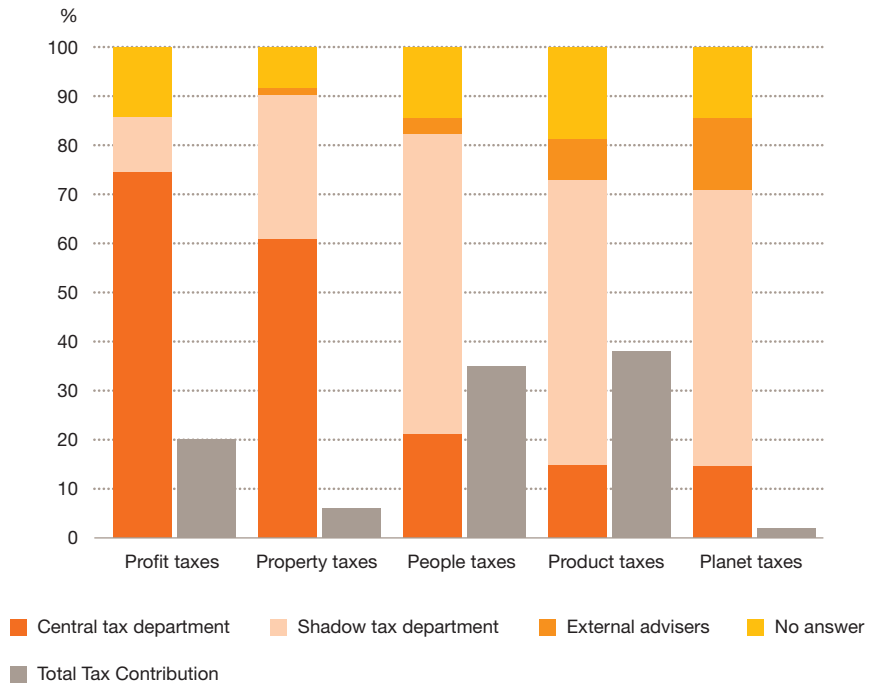


Figure 28. Who has responsibility for the taxes?



The left hand bars in the chart show where responsibility lies by tax base and the right hand bars show the size of each tax base by percentage.

A message which consistently comes through the work on Total Tax Contribution is that companies pay many other taxes in addition to corporation tax. Appendix 1 shows a list of UK taxes that are borne or collected by companies.

As well as requesting data on the amounts of all the different taxes paid, the survey questionnaire also asks who has responsibility for each of the taxes paid. Participants were asked to indicate if this was: (1) the in-house central tax department; (2) the shadow tax department (anyone else in the company outside the tax department); or (3) external advisers providing tax compliance services.

Figure 28 shows the results by type of tax (each of the five Ps). What is striking here is that the largest taxes, the people taxes and the product taxes, are for most companies the responsibility of the shadow tax department rather than the central department. The central tax department is more focussed on profit taxes and property taxes.

The results show that while profit taxes borne and collected are only 19.5% of the Total Tax Contribution paid by The Hundred Group companies, responsibility for 75% of the profit taxes paid lies with the central tax department. 11% of the taxes are the responsibility of the shadow tax department and there was no answer for 14% of the profit taxes.

Property taxes borne and collected account for 6.2% of The Hundred Group Total Tax Contribution. These are also largely the responsibility of central tax departments (61% of property taxes) but shadow tax departments in many companies also take responsibility (29%).

While people taxes borne and collected are the largest tax paid by The Hundred Group companies, accounting for over a third (34.9%) of the survey total, only 21% of the people taxes are the responsibility of their central tax department. 61% of taxes paid are the responsibility of the shadow tax department, 3% external advisers and there was no answer to this question for 15% of the people taxes.

Product taxes are the largest tax paid by The Hundred Group with 37.8% of the survey total. 15% of the product taxes are the responsibility of the central tax department, but 58% are the responsibility of the shadow tax department, while for 8% of product taxes it is external advisers. For 19% of the taxes there was no answer.

Planet taxes are similarly seen by most as the responsibility of the shadow tax department, while they are the smallest of the categories with just 1.6% of the Total Tax Contribution.

How companies use their Total Tax Contribution

The Hundred Group members who participate in the survey receive an individual report on their own Total Tax Contribution which lists all of the taxes borne and collected that they pay. Each of their payments is benchmarked against the position of other companies participating in the survey (a ranking by size of payment). The report also shows their own taxes borne and collected profiles so that they can be compared with the average position for The Hundred Group.

In recent years participants have been asked how they use this information. Figure 29 summarises the answers to this question for the 2010 and 2011 surveys and compares the two years. Overall, this shows that companies are increasingly making use of their Total Tax Contribution data.

The most popular use of companies' Total Tax Contribution data is for internal communications. 61% of the companies use it to share with others in their company, such as corporate responsibility departments, corporate reporting, or those responsible for external relations. 57% of the companies use it internally to highlight the importance of other taxes, as well as corporation tax, and 51% use the data to brief the Board on UK taxes. The number of companies using their Total Tax Contribution data for their internal communications increased by 5%.

The Hundred Group companies also use Total Tax Contribution in managing the taxes they have to pay. 38% use it in tax strategy and planning and in tax risk management. The numbers using their data for this purpose increased by 4%.

30% of companies used the data to benchmark against industry peers, up from 28% in 2010, while 32% used it in the management of their tax function, up from 28% in 2010. 26% use their report to assist the Senior Accounting Officer for the sign-off process, again up from last year (24% in 2010).

Total Tax Contribution is also used in Government relations. 32% of the companies use Total Tax Contribution data in discussions with HMRC and their client relationship manager. 30% use it to lobby Government for tax changes, either on their own or as part of a trade association or business group.

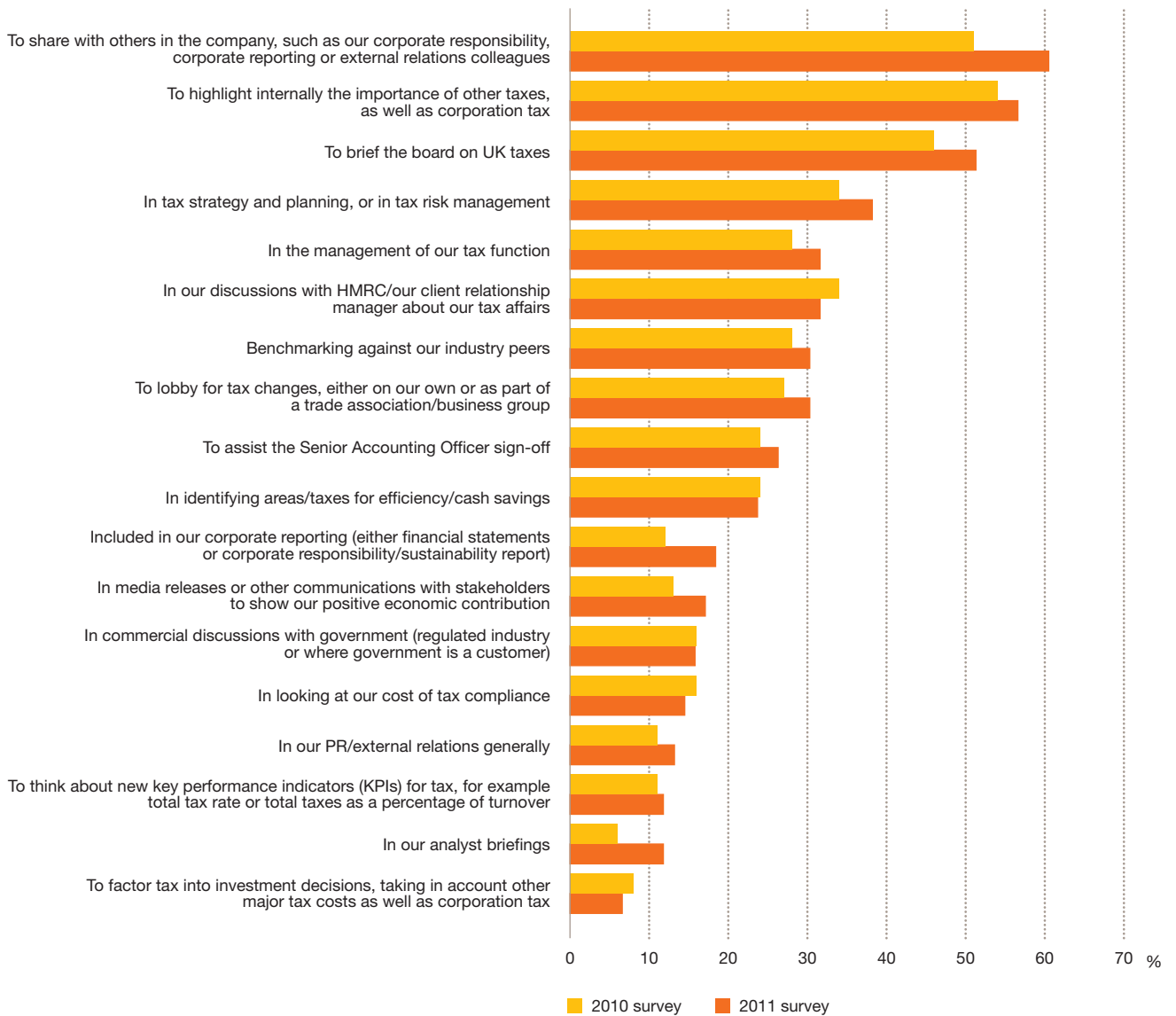
Total Tax Contribution is also used for wider external relations activities. 17% of the companies use it in media releases or stakeholder communications to show their positive economic contribution and 18% include it in their corporate reporting (financial statements or corporate responsibility/ sustainability report).

This year almost 20% of participants reported that they now collect Total Tax Contribution data themselves on a regular basis.

A use which recorded one of the largest percentage increases by The Hundred Group companies was for corporate reporting. This was up 6.4% on the previous year. With the increase in the number of demonstrations by protest groups, unprecedented media interest, important developments in the civil society campaign for country-by-country reporting and increasing calls for greater transparency this is perhaps not surprising.



Figure 29. How companies use their Total Tax Contribution data



The chart shows the percentage of companies using their data as described.

Looking forward

The world economy returned to growth in the aftermath of the economic recession but the pattern of growth is not consistent, with some economies such as those of the emerging markets rebounding rapidly while in other regions such as the US and the European Union recovery has been much more moderate. The global economic outlook continues to be uncertain with continued instability in the Middle East and North Africa, and the sovereign debt crises in the EU countries. So there is much pressure on the Government to implement measures to improve the economic environment and as part of this to have a tax system which is competitive and which encourages companies to want to do business in the UK.

The Total Tax Contribution surveys gather data to inform the tax policy debate, reflecting how the changing economic environment and the evolving tax system impacts on the business of the largest companies in the UK.

Here are a number of the legislative changes that can be expected to be reflected in next year's figures. These include changes to:

- personal income tax – including the reduction in the threshold for higher rate tax (40%), and increased personal allowances
- NIC – the employer and employee rates increased by 1%
- corporation tax – the full rate reduced by 2% to 26%
- supplementary charge for oil companies – the rate increased from 20% to 32% with decommissioning relief restricted to the 20% rate
- bank levy – this was introduced for accounting periods ending after 1 January 2011, and from 1 January 2012 the headline rate of 0.088% applies
- VAT – the full impact of the increase in the rate to 20%, and
- fuel duty – the fall in rate per litre by 1p.

The changing economic environment will also be reflected in the results, so it can be expected that lower growth forecasts in the UK and abroad, continuing high oil prices and low interest rates and the turmoil in the eurozone will all have an impact on the contribution made by The Hundred Group companies.

The intention is to repeat this survey in 2012 to capture these changes. To be even more insightful and helpful to the policy debate, we hope that the questionnaire can be extended to put the contribution made by member companies into a wider economic context, reflecting the wider economic contribution which is made by these companies.

Appendices

Appendix I

List of UK taxes borne and collected by companies

	Tax borne	Tax collected
Taxes on profits (profit taxes)		
Corporation tax	X	
Tax deducted at source		X
Petroleum revenue tax	X	
Betting and gaming duty	X	
Taxes on property (property taxes)		
Business rates	X	
Stamp duty land tax	X	
Stamp duty	X	
Stamp duty reserve tax	X	X
Bank levy ¹	X	
Taxes on employment (people taxes)		
Income tax under PAYE		X
PAYE agreements (tax on benefits)	X	
Employee's national insurance contributions		X
Employer's national insurance contributions	X	
Bank payroll tax	X	
Taxes on consumption (product taxes)		
Net VAT		X
Irrecoverable VAT	X	
Customs duties	X	
Fuel duties		X
Tobacco duty		X
Alcohol duty		X
Insurance premium tax	X	X
Environmental taxes (planet taxes)		
Vehicle excise duty	X	
Landfill tax	X	X
Air passenger duty	X	X
Congestion charge	X	
Climate change levy	X	X
Aggregates levy	X	

¹ Bank levy applies for accounts ended after 1 January 2011. The first payment will be made in the 2012 survey.

Appendix II

Taxes borne and collected reported by the participants in the 2011 survey

Taxes borne	£s 2011	% of tax receipts
Taxes on profits (profit taxes)		
Corporation tax	9,077,367,347	21.6%
Petroleum revenue tax	576,332,634	38.4%
Betting and gaming duty	115,878,114	7.7%
Taxes on property (property taxes)		
Business rates	3,461,341,674	14.5%
Stamp duty land tax	159,103,735	2.7%
Stamp duty and stamp duty reserve tax	80,204,156	2.7%
Taxes on employment (people taxes)		
PAYE agreements (tax on benefits)	86,295,249	0.1%
Bank payroll tax	1,067,550,856	30.5%
Employer's national insurance contributions	5,364,400,329	5.6%
Taxes on consumption (product taxes)		
Irrecoverable VAT	2,463,701,505	2.6%
Insurance premium tax	30,009,975	1.3%
Customs duties	244,737,733	8.2%
Environmental taxes (planet taxes)		
Vehicle excise duty	74,839,474	1.3%
Landfill tax	36,604,666	3.3%
Aggregates levy	54,044,718	18.0%
Climate change levy	68,830,880	9.8%
Air passenger duty	35,225,088	1.6%
Congestion charge	3,711,028	-
Total	23,000,179,161	4.4%
Taxes collected		
Taxes on profits (profit taxes)		
Tax deducted at source	2,082,878,331	5.0%
Taxes on property (property taxes)		
Stamp duty reserve tax	83,797,904	2.8%
Taxes on employment (people taxes)		
PAYE	11,417,399,794	7.7%
Employee's national insurance contributions	3,251,530,611	3.4%
Taxes on consumption (product taxes)		
Net VAT	6,411,055,955	6.6%
Insurance premium tax	636,440,302	26.5%
Fuel duties	10,349,882,046	37.9%
Tobacco duty	650,000,000	7.1%
Alcohol duty	2,202,743,607	23.4%
Environmental taxes (planet taxes)		
Landfill tax	141,538,368	12.9%
Climate change levy	106,977,903	15.3%
Air passenger duty	421,345,220	19.2%
Total	37,755,590,041	7.3%

* Source: Government receipts from Office for Budget Responsibility – Economic and fiscal outlook, November 2011 Fiscal Supplementary Tables.

Appendix III

List of companies invited to participate in the survey

3i Group plc	ICAP plc	SEGRO plc
Admiral Group Plc	Imperial Tobacco Group plc	Serco Group plc
Alliance Boots	Inmarsat Plc	Severn Trent plc
Alliance Trust plc	Intercontinental Hotels Group plc	Shire Pharmaceuticals Group Ltd
Amec plc	International Power plc	Smith & Nephew plc
Anglo American plc	Intertek Group Plc	Smiths Group plc
Antofagasta plc	Invensys plc	Standard Chartered Bank
Associated British Foods plc	ITV plc	Standard Life
AstraZeneca plc	J Sainsbury plc	Tata Steel Limited
Autonomy Corporation plc	John Lewis Partnership	Tate & Lyle plc
Aviva plc	Johnson Matthey plc	Tesco plc
BAE Systems plc	Kingfisher plc	The Weir Group plc
Balfour Beatty plc	Ladbrokes plc	The Wellcome Trust
Barclays Bank plc	Land Securities Group plc	Thomas Cook Group plc
BG Group plc	Legal & General Group plc	Tomkins plc
BP plc	Lloyd's Of London	TUI Travel plc
British Airways plc	Lloyds Banking Group plc	Tullow Oil Plc
British American Tobacco plc	Logica plc	Unilever plc
British Broadcasting Corporation	London Stock Exchange plc	United Utilities plc
The British Land Company plc	Lonmin plc	VEGA Group plc
British Sky Broadcasting Group plc	Man Group plc	Vodafone Group plc
BT Group plc	Marks and Spencer plc	Whitbread Group plc
Bunzl plc	Mitchells & Butler plc	Wm Morrison Supermarkets plc
Bupa	National Grid plc	Wolseley plc
Burberry Group plc	Nationwide Building Society	WPP Group plc
Cable & Wireless Communications plc	Next Group plc	
Cable & Wireless Worldwide	Novartis International AG	
Cadbury plc	Old Mutual plc	
Cairn Energy plc	Pearson plc	
The Capita Group plc	Pennon Group plc	
Capital Shopping Centres Group PLC	Petrofac Limited	
Centrica plc	Prudential plc	
Cobham plc	Reckitt Benckiser Group plc	
Compass Group plc	Reed Elsevier plc	
Daily Mail and General Trust plc	Rentokil plc	
Diageo plc	Rexam plc	
Experian	Rio Tinto plc	
ExxonMobil International Limited	Rolls-Royce plc	
Friends Provident plc	The Royal Bank of Scotland Group plc	
G4S plc	Royal Dutch Shell plc	
GKN plc	Royal Mail Group Limited	
GlaxoSmithKline plc	RSA Insurance Group plc	
Hammerson plc	SABMiller plc	
Hays plc	The Sage Group plc	
Home Retail Group plc	Schroders plc	
HSBC Holdings plc	Scottish & Southern Energy plc	

Appendix IV

Total Tax Contribution publications



*Paying Taxes 2012: The global picture
Published jointly with the World Bank
November 2011*



*Tax transparency: Communicating the tax
companies pay
Published November 2011*



*Total Tax Contribution: Study of the
contribution of the insurance industry to UK
tax revenues – third edition
Published August 2011*



*The Total Tax Contribution of UK
Financial Services – fourth edition
Published December 2011*



*The Total Tax Contribution of the UK Oil and
Gas industry
Published February 2012*



*Total Tax Contribution Luxembourg
Published May 2011*



*Total Tax Contribution 2010 Australia
Published April 2011*

Appendix V

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