

Briefing: five more years of historic-high tax burden

December 2018

- The **49-year high tax burden** estimate for 2018-19 **has increased** from 34.3 to 34.6 per cent of GDP.
- Treasury plans keep Britain's historic-high tax burden at **49-year high plateau for next five years**.
- Overall government **revenues this year are at a 32-year high**, at 37 per cent of GDP.

This year, the government expects to raise £787 billion in total, equivalent to approximately £29,000 per household.¹ These receipts will partly finance its £813 billion of spending, leaving a deficit of £26 billion. Some of the receipts are interest payments, dividends and profits from trading activities, but most are taxes.

In July, the TaxPayers' Alliance published a briefing revealing that the tax burden this year is the highest since 1969-70, at 34.3 per cent of GDP.² The October budget, however, revealed that the tax burden is now expected to be 34.6 per cent of GDP. And while previously it was forecast to fall slightly from 34.3 to 34.1 per cent by 2022-23, the government now plans for it to remain at 34.6 per cent in 2023-24. The tax burden will be higher in each of the next five years than in any year between 1969-70 and 2018-19.

Chart 1: national account taxes, 1958-59 to 2023-24 (per cent of GDP)³

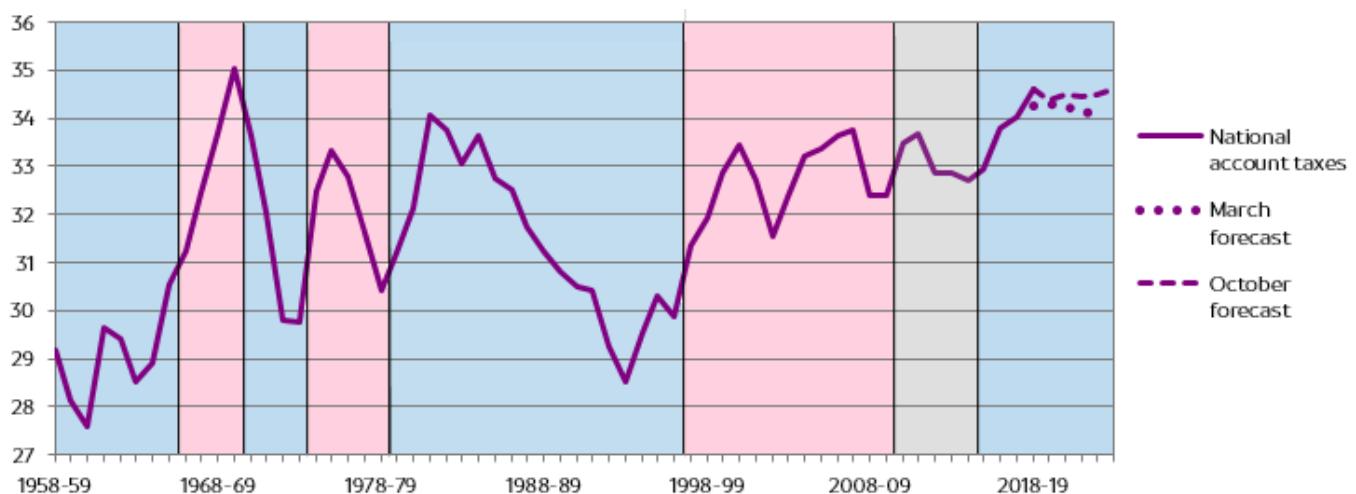


Table 1: national account taxes forecasts, 2018-19 to 2023-24

Year	March forecast			October forecast		
	(£ bn)	(£bn 2018-19 prices)	(% GDP)	(£ bn)	(£bn 2018-19 prices)	(% GDP)
2018-19	724.9	724.9	34.3	736.1	736.1	34.6
2019-20	746.2	734.7	34.3	755.8	742.5	34.4
2020-21	768.1	743.9	34.3	783.6	755.1	34.5
2021-22	788.1	750.2	34.1	809.6	765.5	34.4
2022-23	815.4	804.6	34.1	839.0	778.2	34.5
2023-24	-	-	-	871.3	793.0	34.6

¹ See tables 1, 2 and 3 for detail. Fiscal figures from OBR *Public finances databank*. Household figures calculated by dividing by estimates of numbers of households in ONS, *Families and households*, 8 November 2017, <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/datasets/familiesandhouseholds>, (accessed 29 June 2018).

² TaxPayers' Alliance, *Briefing: highest tax burden this year since 1969-70*, July 2018. Available at: https://www.taxpayersalliance.com/highest_tax_burden_this_year_since_1969_70

³ Vertical black lines denote elections. Background colour indicates party of government (grey for the coalition).

This year, current receipts will account for 37.0 per cent of GDP, the highest since 1986-87 when the figure was 37.4 per cent. But not all receipts are taxes. This year, taxes will account for 34.6 per cent of GDP, the highest since 1969-70 when the figure was 35.0 per cent. Privatisations have reduced non-tax receipts since the 1970s and 1980s, which explains why overall revenues were higher in the 1970s but the tax burden is higher now.

Chart 2: receipts, taxes, spending and borrowing, 1958-59 to 2023-24 (£ billion in 2018-19 prices)

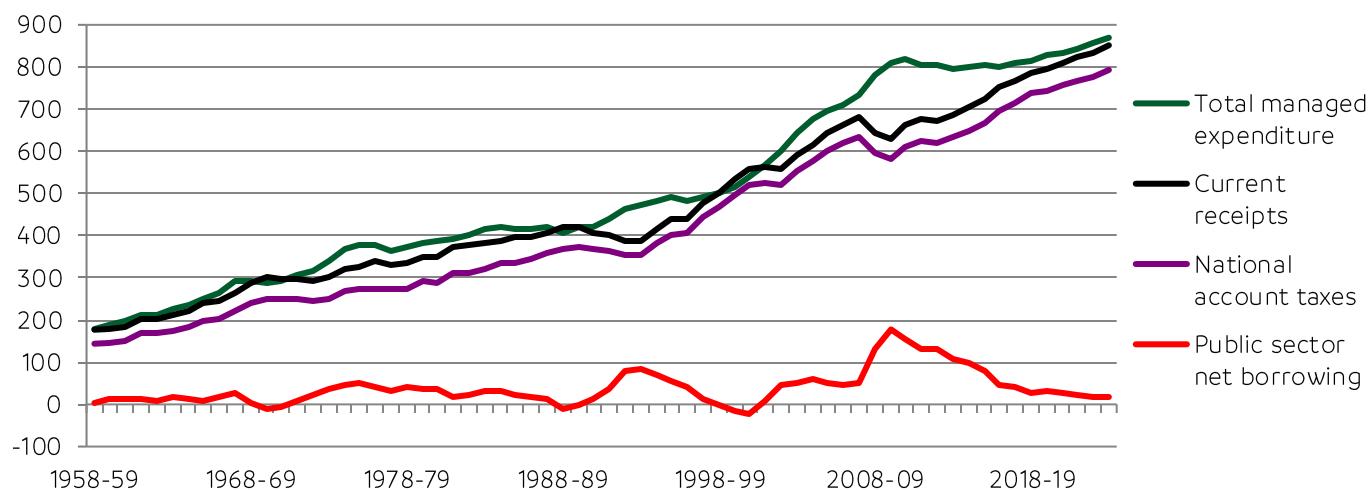


Chart 3: receipts, taxes and spending, 1958-59 to 2023-24 (per cent of GDP)

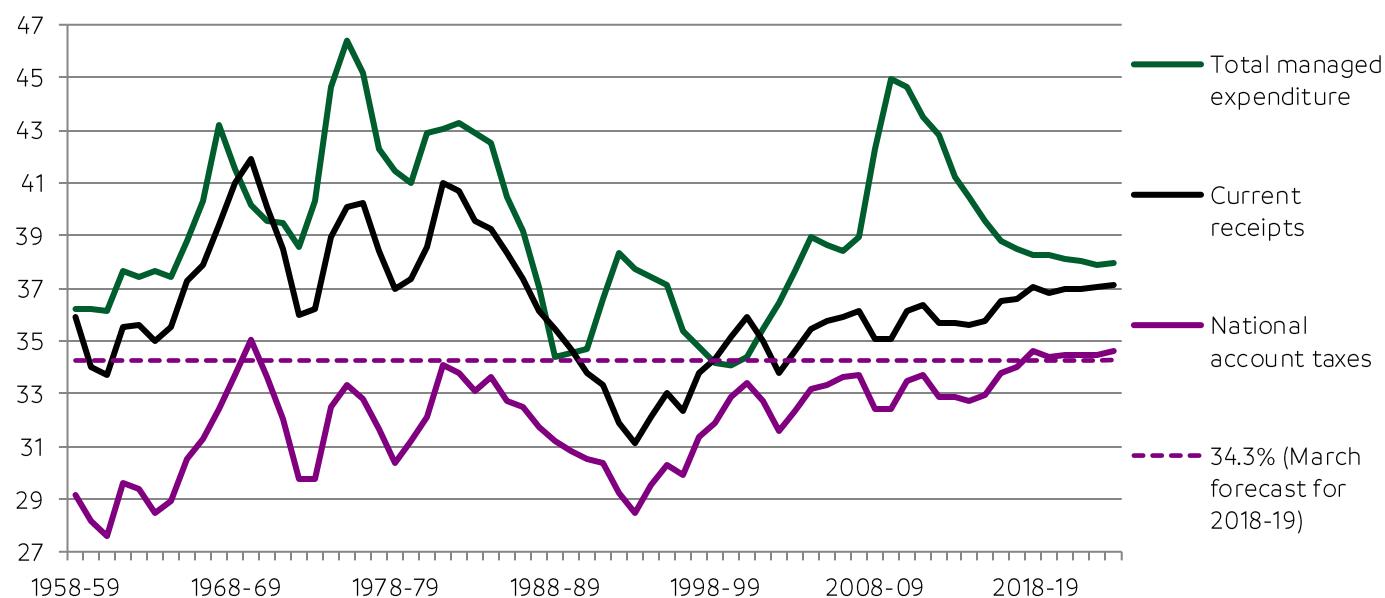


Table 2: receipts, taxes, spending and borrowing forecasts, 2018-19 to 2023-24⁴

Year	Current receipts			National account taxes			Total managed expenditure			Public sector net borrowing		
	(£ bn)	(£ bn 2018-19 prices)	(% GDP)	(£ bn)	(£ bn 2018-19 prices)	(% GDP)	(£ bn)	(£ bn 2018-19 prices)	(% GDP)	(£ bn)	(£ bn 2018-19 prices)	(% GDP)
2018-19	787.3	787.3	37.0	736.1	736.1	34.6	812.8	812.8	38.2	25.5	25.5	1.2
2019-20	809.8	795.6	36.8	755.8	742.5	34.4	841.6	826.8	38.3	31.8	31.2	1.4
2020-21	840.4	809.9	37.0	783.6	755.1	34.5	867.1	835.6	38.1	26.7	25.7	1.2
2021-22	869.6	822.2	37.0	809.6	765.5	34.4	893.4	844.7	38.0	23.8	22.5	1.0
2022-23	900.8	835.5	37.0	839.0	778.2	34.5	921.7	854.8	37.9	20.8	19.3	0.9
2023-24	935.5	851.5	37.2	871.3	793.0	34.6	955.3	869.5	37.9	19.8	18.0	0.8

⁴ OBR, *Public finances databank*, 29 October 2018, obr.uk/data, (accessed 1 November 2018). 2018-19 figures derived from adjusting 2017-18 by the GDP deflator.

Table 3: receipts, taxes, spending and borrowing, 1968-69 to 2018-19

Year	Current receipts			National account taxes			Total managed expenditure			Public sector net borrowing		
	(£ bn)	(£bn 2018-19 prices)	(% GDP)	(£ bn)	(£bn 2018-19 prices)	(% GDP)	(£ bn)	(£bn 2018-19 prices)	(% GDP)	(£ bn)	(£bn 2018-19 prices)	(% GDP)
1968-69	19.2	289.9	41.0	15.8	238.3	33.7	19.5	294.0	41.5	0.3	4.1	0.6
1969-70	21.4	301.3	41.9	17.9	251.9	35.0	20.5	289.0	40.2	-0.9	-12.3	-1.7
1970-71	23.2	299.0	40.1	19.5	250.7	33.6	22.9	294.9	39.6	-0.3	-4.2	-0.6
1971-72	24.9	297.5	38.5	20.7	247.7	32.0	25.5	305.0	39.4	0.6	7.6	1.0
1972-73	26.6	293.1	36.0	22.1	242.9	29.8	28.5	314.2	38.5	1.9	21.1	2.6
1973-74	30.1	303.8	36.2	24.7	249.5	29.8	33.4	338.0	40.3	3.4	34.2	4.1
1974-75	38.3	322.2	39.0	31.9	268.5	32.5	43.9	369.2	44.7	5.6	47.1	5.7
1975-76	48.4	327.8	40.1	40.3	272.7	33.3	56.1	379.6	46.4	7.7	51.8	6.3
1976-77	57.1	338.6	40.2	46.5	276.0	32.8	64.1	380.1	45.1	7.0	41.5	4.9
1977-78	63.7	332.2	38.4	52.5	273.7	31.6	70.2	365.7	42.3	6.4	33.5	3.9
1978-79	71.0	333.5	37.0	58.4	274.4	30.4	79.7	374.3	41.5	8.7	40.8	4.5
1979-80	86.8	348.0	37.3	72.5	290.9	31.2	95.3	382.3	41.0	8.5	34.3	3.7
1980-81	103.2	347.4	38.6	85.9	289.2	32.1	114.7	386.3	42.9	11.5	38.8	4.3
1981-82	122.2	372.2	41.0	101.5	309.2	34.1	128.2	390.5	43.0	6.0	18.3	2.0
1982-83	133.1	377.9	40.7	110.4	313.6	33.8	141.6	402.2	43.3	8.5	24.3	2.6
1983-84	141.6	383.9	39.6	118.3	320.7	33.1	153.4	415.9	42.9	11.8	32.0	3.3
1984-85	151.5	389.2	39.3	129.7	333.3	33.6	164.1	421.4	42.5	12.5	32.2	3.3
1985-86	162.2	394.9	38.3	138.6	337.3	32.7	171.3	416.9	40.4	9.0	22.0	2.1
1986-87	170.0	397.2	37.4	148.0	345.7	32.5	178.4	416.8	39.2	8.4	19.6	1.8
1987-88	184.5	408.2	36.2	162.0	358.4	31.7	189.3	418.7	37.1	4.7	10.5	0.9
1988-89	201.9	419.5	35.5	177.7	369.3	31.2	195.9	407.1	34.4	-6.0	-12.5	-1.1
1989-90	217.4	419.6	34.7	193.2	373.0	30.8	216.8	418.4	34.6	-0.6	-1.2	-0.1
1990-91	228.8	408.1	33.8	206.6	368.3	30.5	235.1	419.2	34.7	6.2	11.1	0.9
1991-92	237.8	401.2	33.4	216.8	365.6	30.4	260.9	440.0	36.6	23.0	38.9	3.2
1992-93	234.4	385.5	31.9	214.8	353.3	29.2	281.5	463.0	38.3	47.1	77.5	6.4
1993-94	242.1	388.8	31.1	221.8	356.1	28.5	293.7	471.5	37.7	51.6	82.8	6.6
1994-95	261.7	415.0	32.1	241.0	382.2	29.5	305.5	484.5	37.4	43.8	69.5	5.4
1995-96	284.1	437.3	33.0	260.6	401.1	30.3	319.4	491.7	37.1	35.3	54.4	4.1
1996-97	296.2	440.5	32.3	273.9	407.3	29.9	323.9	481.7	35.3	27.7	41.2	3.0
1997-98	324.3	479.1	33.8	300.6	444.1	31.3	333.4	492.5	34.8	9.1	13.4	0.9
1998-99	344.2	502.0	34.3	320.3	467.2	31.9	343.1	500.5	34.2	-1.1	-1.6	-0.1
1999-00	367.0	533.1	35.1	343.3	498.7	32.9	356.1	517.2	34.1	-11.0	-15.9	-1.0
2000-01	394.4	560.2	35.9	367.6	522.1	33.4	378.3	537.3	34.4	-16.1	-22.9	-1.5
2001-02	399.8	562.6	35.0	373.1	524.9	32.7	404.2	568.8	35.4	4.4	6.2	0.4
2002-03	405.8	557.2	33.8	378.8	520.2	31.5	437.8	601.2	36.5	32.1	44.0	2.7
2003-04	438.7	589.8	34.6	410.3	551.7	32.3	477.5	642.0	37.6	38.8	52.2	3.1
2004-05	470.7	616.6	35.4	440.9	577.6	33.2	516.9	677.0	38.9	46.1	60.4	3.5
2005-06	504.8	644.3	35.7	471.3	601.5	33.4	546.4	697.3	38.7	41.6	53.1	2.9
2006-07	533.9	661.6	35.9	500.2	619.8	33.6	571.9	708.7	38.4	38.0	47.1	2.6
2007-08	563.6	681.4	36.2	526.0	635.9	33.7	606.5	733.3	38.9	42.9	51.9	2.8
2008-09	548.2	645.4	35.1	506.5	596.3	32.4	661.7	779.0	42.3	113.5	133.6	7.3
2009-10	542.1	629.5	35.0	501.0	581.8	32.4	695.2	807.3	44.9	153.1	177.8	9.9
2010-11	580.5	661.4	36.1	537.7	612.7	33.5	717.4	817.3	44.7	136.8	155.9	8.5
2011-12	600.7	675.5	36.4	556.0	625.3	33.7	717.3	806.7	43.5	116.7	131.2	7.1
2012-13	611.0	673.9	35.7	562.3	620.2	32.9	731.8	807.1	42.8	120.8	133.2	7.1
2013-14	635.6	688.5	35.7	585.2	633.8	32.8	733.8	794.9	41.2	98.2	106.4	5.5
2014-15	660.0	705.5	35.6	606.4	648.3	32.7	750.4	802.3	40.5	90.5	96.7	4.9
2015-16	684.3	725.8	35.8	629.9	668.1	32.9	756.8	802.6	39.6	72.5	76.9	3.8
2016-17	726.4	753.6	36.5	671.9	697.1	33.8	772.0	800.9	38.8	45.5	47.2	2.3
2017-18	754.0	767.7	36.6	700.7	713.5	34.0	793.8	808.3	38.5	39.8	40.5	1.9
2018-19	787.3	787.3	37.0	736.1	736.1	34.6	812.8	812.8	38.2	25.5	25.5	1.2