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Consultation on changes to HMRC statistics publications 2025

Response by the Chartered Institute of Taxation

1. Executive Summary

- 1.1. The Chartered Institute of Taxation (CIOT) is the leading professional body in the UK for advisers dealing with all aspects of taxation. We are a charity and our primary purpose is to promote education in taxation with a key aim of achieving a more efficient and less complex tax system for all. We draw on the experience of our 20,000 members, and extensive volunteer network, in providing our response.
- 1.2. We support HMRC's commitment to producing high value and good quality statistical publications. They help us, and other stakeholders, evaluate whether government policy is meeting its stated objectives.
- 1.3. We believe that increased or more targeted publication of statistics could support the government's objectives for HMRC, particularly to reduce the tax gap. We recommend that HMRC consults with interested parties like us to explore how that might be achieved.
- 1.4. While we are comfortable with most of HMRC's proposals, we would recommend the greater use of charts and treemaps, which can present large amounts of data in a clear manner, and that the full range of statistical data sets are made easier to find. We also suggest that HMRC consults to identify any gaps in the statistics they produce, and whether they can be filled.

2. About us

- 2.1. The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.

- 2.2. The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.
- 2.3. The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries.
- 2.4. Our members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.

3. Introduction

- 3.1. We welcome the opportunity to respond to HMRC's consultation on changes to its statistics publications.
- 3.2. Our stated objective for the tax systems include:
 - A legislative process that translates policy intentions into statute accurately and effectively, without unintended consequences.
 - Greater simplicity and clarity, so people can understand how much tax they should be paying and why.
 - Greater certainty, so businesses and individuals can plan ahead with confidence.
 - A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
 - Responsive and competent tax administration, with a minimum of bureaucracy.
- 3.3. HMRC's statistics publications help us, and other stakeholders, evaluate whether government policy is meeting its stated objectives. We therefore support HMRC's commitment to producing high value and good quality statistical publications that meet the needs of their users.
- 3.4. Unless specifically mentioned below, we have no comments or concerns regarding the specific changes proposed.

4. General comments

- 4.1. We think that the statistical publications are brought to life when they are accompanied by charts or other pictorial illustrations of the data. For example, the non-structural tax relief statistics contain bar charts and graphs, which are a very good visual aid to help with their interpretation. In the December 2023 publication, Figure 1 in Section 3¹ was a 'treemap' chart which set out a breakdown of the cost of different reliefs within different heads of tax. This was a very good way of quickly showing the relative size and cost of tax reliefs across the tax system relative to others. We would like this to be reinstated and used more widely in these and other statistical publications, too.

¹ <https://www.gov.uk/government/statistics/main-tax-expenditures-and-structural-reliefs/non-structural-tax-relief-statistics-december-2023#headline-statistics>

- 4.2. Consideration should be given to identifying and plugging ‘gaps’ in statistics. For example, very little data is published about expatriates, yet the tax paid per individual is typically significant. HMRC should consult to identify where such gaps exist and determine whether it is feasible to fill them.
- 4.3. We also think it would be helpful if the full list of HMRC’s statistics publications was easier to find. For example, HMRC’s statistics ‘home page’² has a list of ‘Current publications’. However, the first statistics publication addressed in the current consultation, Air Passenger Duty Bulletin, is not listed under the heading Current publications. That is because it is found within the collection ‘VAT, excise duties and other minor industry specific duties and levies’ within the sub-heading ‘Business taxes statistics’. There is merit in reviewing how the statistical publications are presented on GOV.UK, so that they can be found more easily and their use increased.

5. Specific comments on HMRC’s proposals

- 5.1. We welcome that HMRC is exploring publishing more data in a machine-readable format. This should help better analysis of the data, and evaluation of trends etc.
- 5.2. Capital Gains Tax statistics – we suggest that these statistics might also be expanded to include data on crypto asset disposals, seeing as they will be separately reportable from 2024-25 onwards.
- 5.3. Charity tax relief statistics – while the proposal seems sensible, we think there is merit in retaining some data around income levels and number of donors who are taxpayers.
- 5.4. Employee share scheme statistics – we note the proposal to publish further statistics on the Share Incentive Plan with regards to shares taken out of plan. This will require extra information to be provided to HMRC by employers in their share scheme returns for HMRC to gather the additional statistics. We think though that this information would be useful to users and that the additional burden is relatively minor.
- 5.5. HMRC tax receipts and National Insurance contributions for the UK – we believe that the statistics per heads of tax and the proportion they represent of GDP remain useful, as does Table 5 - Annual Contribution by Tax – and they should be maintained.
- 5.6. Inheritance Tax liabilities statistics – we welcome the commitment to maintaining these publications. Forthcoming changes such as to Agricultural Property Relief, Business Property Relief, and bringing pensions within the scope of inheritance tax (IHT), will mean that IHT will continue to be an area of increasing interest.
- 5.7. Private pension statistics – we note that from summer 2026, Table 8 in the Private pension statistics publication will be discontinued, as the Lifetime Allowance has been abolished. Will this be replaced with figures for breaches of the lump sum allowance, the lump sum death benefit allowance, and the overseas transfer allowance? Also, we would agree that there would be user interest in publishing statistics on applications for Lifetime allowance protections as a one-off table in summer 2025.
- 5.8. Tax-Free Childcare statistics – There is anecdotal evidence of people reducing working hours etc to remain below £100k of adjusted net income (exceeding that threshold means tax free childcare is lost). While we do not believe HMRC gathers income information during the application process, we wonder whether HMRC

² <https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics#current-publications>

might be able to identify (and consider publishing) information which reveals income levels for those with and without children, to identify any potential behavioural response to the income cliff-edge.

- 5.9. Tax relief statistics – it’s not clear what is meant by the proposal to “shorten the length and to improve the accessibility of the commentary on the non-structural tax relief statistics”. As outlined above, we believe that increased use of pictorial data in the statistics could aid their understanding and potentially reduce their length. However, non-structural reliefs are one of the greatest areas of interest as they include policies which are designed to change or incentivise particular behaviours, so we would caution against any proposals which reduce the extent of the data presented, as this will inhibit attempts to evaluate whether the reliefs are having their desired effect.

6. Suggestions to meet the government’s priorities

- 6.1. The government’s three strategic priorities for HMRC are:

1. Closing the tax gap.
2. Modernisation and reform.
3. Improving customer service.

- 6.2. We suggest that HMRC undertakes a review of its statistics publications in the light of those priorities, particularly regarding closing the tax gap.

- 6.3. HMRC attributes approximately 60% of the tax gap to small businesses, but we have previously explained³ that ordinary members of the public (ie those who run small businesses) will struggle to find information that HMRC publishes regarding their performance, the tax gap, and the impact of their compliance efforts. HMRC need to make this information much easier to find so that those who run small businesses, as well as other commentators (media, parliament etc) are clearer on the causes of non-compliance, and what HMRC is doing to prevent it.

- 6.4. Subject to finding the right medium for reaching this audience, HMRC should consider publishing the following information, as it will assist a greater understanding of the tax gap, HMRC’s efforts to reduce it, and how taxpayers and their advisers can identify where increased attention is necessary:

- a more granular analysis of the behavioural tax gap, between taxpayer types and between sectors.
- a breakdown of the small business tax gap by turnover level, as the current definition treats businesses below £10m turnover (and fewer than 20 employees) as ‘small’, yet this threshold results in 95% of businesses in the UK being treated as ‘small’⁴.
- an equivalent of the two technical notes for Wealthy individuals and Mid-sized Business compliance⁵, and Large Business compliance⁶, with information that pertains to individuals and small businesses.
- the yield statistics from HMRC’s compliance activities, and the taxpayer behaviour which caused the underlying error.

³ See the CIOT’s response to HMRC’s consultation “Powers and Safeguards: views on Data and Transparency”.

⁴ <https://www.gov.uk/government/statistics/measuring-tax-gaps/methodological-annex#chapter-l-tax-gap-by-customer-group-and-behaviour>

⁵ <https://www.gov.uk/government/publications/hmrc-annual-report-and-accounts-2023-to-2024-technical-notes/wealthy-individuals-and-mid-sized-business-compliance-technical-note>

⁶ <https://www.gov.uk/government/publications/hmrc-annual-report-and-accounts-2023-to-2024-technical-notes/large-business-compliance-technical-note--3>

- more granular statistics on the number and types of penalties – particularly tax geared penalties – imposed, and the behaviour which caused the penalty.
- more transparent data on the length of time compliance checks are taking, and the number of open compliance checks (rather than just the number opened and closed in a year).

6.5. We recommend that HMRC consults with interested parties like us, to explore further where increased or more targeted publication of statistics could support the government's objectives.

7. Acknowledgement of submission

7.1. We would be grateful if you could acknowledge safe receipt of this submission, and ensure that the Chartered Institute of Taxation is included in the List of Respondents when any outcome of the consultation is published.

The Chartered Institute of Taxation

8 April 2025