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The Total Tax Contribution of the UK Oil & Gas industry

Report prepared for
Oil & Gas UK

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Oil & Gas UK
the voice of the offshore industry

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Contents

Foreword

As part of Oil & Gas UK's work to quantify the economic contribution of the offshore oil and gas industry we asked PwC to apply their long established Total Tax Contribution methodology to our members' activities here in the UK. The results are very revealing and importantly assist our sector to be more open and transparent about the very substantial contribution it continues to make to the UK Exchequer via taxation borne, employment generated and supported, and duties and taxes collected.

As the report shows, the oil and gas sector represents approximately 5.5% of all UK Government tax revenues. The sector is the biggest industrial investor in the country. It exports expertise and cutting edge engineering techniques worldwide and provides well paid, high quality, and high skilled jobs; these are exactly what is needed when we are looking to re-balance the UK's economy. The sector is key to the regional economies of Aberdeen and NE Scotland and East Anglia among others and supports an extensive supply chain in the manufacturing and services sectors.

The UK Continental Shelf (UKCS), as a mature basin and area with typically high operating costs, needs substantial investment in order to maximise hydrocarbon recovery and economic activity. If the rate of investment slows down, unit costs will escalate rapidly, leading to the early closure of much of our offshore infrastructure. Yet investment is very dependent on business confidence. Recent fiscal changes have damaged confidence in the sector. More and more, we are seeing a 'two-speed UKCS' with some major investments proceeding as planned but many of the smaller more marginal investments struggling to secure funding.

PwC also surveyed members of Oil & Gas UK to enquire about the impact of the tax changes on Exploration & Production (E&P) and Supply Chain companies' investment plans in the medium–term. Worryingly, the survey showed that 37% of E&P respondents are considering scaling back future investment by a total of £6.8 billion and that 83% of supply chain respondents expect the 2011 Budget to have a negative commercial impact on their UK businesses.

The UK needs to remain competitive internationally in order to attract new investment, thereby generating the tax revenues which are vital for the UK economy. In an era of high oil prices which is providing further upward pressure on costs, increasing technical challenges, and smaller hydrocarbon accumulations being discovered, it is essential that the UK's fiscal and regulatory regimes encourage and promote investment and minimise compliance burdens on business.

The message from this report is clear; the UK oil and gas sector is a major contributor to the UK economy. The challenge is to ensure that, following the 2011 Budget, investor confidence is restored so that investment production and the tax contribution are all maximised. Certainty over the long-term future of the UK's oil and gas regime is essential, from investment and production through to decommissioning. In this regard it is good to note HM Treasury's desire to work with our industry with the aim of promoting investment and achieving longer-term certainty on decommissioning tax relief by Budget 2012.

Michael Tholen
Economics Director, Oil & Gas UK

Purpose and outline of the study

This study has been carried out for Oil & Gas UK to look at the Total Tax Contribution made to the UK public finances by its membership. Oil & Gas UK is the trade association for the upstream oil and gas industry in the UK. The activities of its members include carrying out exploration and production in the North Sea (E&P members) and supplying the E&P companies with goods and services (the Supply Chain members).

The purpose of the study is to show the size of the contribution that the oil and gas industry makes to the UK public finances and how the UK tax system impacts the industry. The members taking part provided data on their tax payments in their accounts year ended in the year to 31 March 2011. PwC carried out a similar study for Oil & Gas UK in 2008 using the same methodology and we have therefore been able to compare the results.

The study also looks at how the members of Oil & Gas UK expect to be affected by the measures announced by the Government in the 2011 Budget, and in particular by the increase in the rate of supplementary charge to corporation tax.

The study uses the PwC Total Tax Contribution (TTC) methodology. This makes a distinction between taxes borne and taxes collected. Taxes borne are those taxes which are a cost to the companies when paid and which affect their results such as corporation tax and employers national insurance contributions. Taxes collected are those that they collect and administer on behalf of Government such as income taxes and employees national insurance contributions deducted under PAYE and fuel duties.

PwC has anonymised and aggregated the data provided by Oil & Gas UK members to produce the study results. PwC has not verified, validated or audited the data and cannot therefore give any undertaking as to the accuracy of the study results.

The Budget measures announced by Government to the oil and gas industry tax regime are significant and have the potential to impact the industry commercially and its supply chain. It is crucial that the tax system in the UK is both predictable and internationally competitive. There needs to be a high level of engagement with Government, so that industry and Government can work together to create investment and employment opportunities and to maximise recovery of the UK's oil and gas reserves. This study provides robust information and data and a clear understanding of the views of companies in the sector, in order to inform that dialogue.

The contribution of the oil and gas industry to UK public finances

The oil and gas industry and its supply chain make a major contribution to the UK Exchequer. The 46 companies taking part in the study reported £7.7bn in taxes borne, and £20.3bn in taxes collected for their accounting periods ended in the year to 31 March 2011.

Oil and gas companies are one of the biggest industry sectors contributing to UK tax revenues. Our work with The Hundred Group of Finance Directors (whose members are mostly FTSE 100 companies) each year has consistently shown that the oil and gas Hundred Group members, along with those in the financial services sector, are the largest tax payers.

Government figures also show that the 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.

These figures do not yet reflect the tax increases for the oil and gas industry announced by the Government in the 2011 Budget. The participants in this study expect to pay an additional £21.2bn in the supplementary charge to corporation tax as a result of the increased rate announced by the Chancellor in the March 2011 Budget.

Over one third of participating E&P companies taking part in the study are considering scaling back future investments in the UK as a result of the 2011 Budget measures. They estimate the amounts involved to be £6.8bn.

These companies employ highly-skilled people who are well paid and who make substantial tax contributions to the UK public finances. Estimated total employment taxes paid by the Oil & Gas UK E&P member companies are £2.2bn.

The companies which supply the E&P companies in the North Sea also make an important contribution to the UK public finances. The 18 Supply Chain companies in the study employed over 31,000 employees and paid employment taxes and corporation tax totalling £687m.

For the majority of these Supply Chain companies (53%) the UK represents less than half of their business and they are potentially mobile. It is important to retain these businesses in the UK and to help them grow.

Today, none of the Supply Chain company participants in the study thought their UK business would grow as a percentage of their global business in the next year and 61% expected a fall over the next five years.

46 Companies

Taxes borne £7.7
llected £20.3bn

£21bn expected increase in the tax bill from Budget 2011

1/3 of companies may reduce future UK investment

Exploration and Production companies

Total Tax Contribution

Twenty-eight Oil & Gas UK Exploration and Production (E&P) members participated in this study provided data on their taxes borne and collected for their accounting year ended in the year to 31 March 2011 (in all cases December 2010 year ends). These companies are 56% of the E&P Oil & Gas UK membership by number of companies and 76% of the total UK oil and gas production (barrels of oil equivalent) for that year[1].

All of these E&P companies have activities on the UKCS which involve exploring for and producing oil and gas. Twenty percent of these are integrated oil and gas companies and also have activities involving refining and the distribution of petroleum related products. Twenty five percent of them also have other business activities in the UK as well as oil and gas. They all provided data on their total UK tax payments covering both taxes borne and taxes collected across all of their UK activities.

The participating E&P members make a large contribution to UK tax revenues. Together these companies pay taxes borne of £7.5bn and taxes collected of £19.9bn, making a UK Total Tax Contribution of £27.4bn.

Extrapolating from these figures, we estimate that the Total Tax Contribution for the entire Oil & Gas UK E&P membership, including those members who did not take part in the study, as £30.1bn which amounts to 5.5% of total Government receipts for all taxes in the tax year 2010/2011 (see figure 1)[2 3]. These figures clearly show that these companies make a major contribution to the public purse.

Figure 1 – Total Tax Contribution of E&P companies.

The contribution of the entire E&P membership is estimated to be £30.1bn

£ million	E&P companies in the study	Extrapolated to the entire E&P membership	% of total Government receipts (extrapolated)
Corporation tax	5,602	6,876	16.4%*
Other taxes borne	1,906	2,252	
Total taxes borne	7,508	9,128	1.7%
Total taxes collected	19,881	21,007	3.8%
Total Tax Contribution	**27,389**	**30,135**	**5.5%**

*Percentage of Government corporation tax receipts.

Our work with The Hundred Group of Finance Directors over the last six years has consistently shown the oil and gas members of The Hundred Group, along with those in the financial services sector, to be the largest UK tax payers. In the 2010 Hundred Group Survey oil and gas companies were less than 10% of the total number of companies taking part, but paid 39% of the total corporation tax, 20% of total taxes borne and 40% of taxes collected[4].

[1] Oil and gas barrels of oil equivalent production figures provided by Oil & Gas UK.

[2] Extrapolation has been carried out on a conservative basis. Extrapolation is an estimate based on the average ratios of taxes borne and taxes collected to oil and gas production (barrels of oil equivalent). Extrapolation has been carried out separately for companies with just an upstream business and for companies with an integrated and other business.

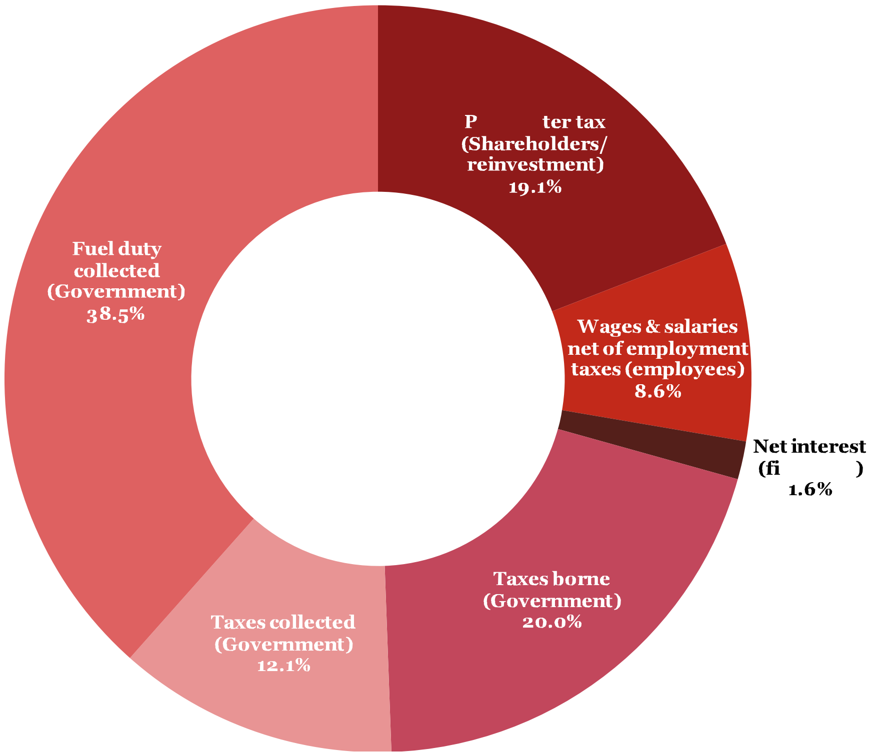
[3] Government tax receipts for the year to 31 March 2011 taken from OBR Fiscal Supplementary Table March 2011. Covers all taxes, including income tax, national insurance contributions, VAT, capital gains tax, inheritance tax, council tax, business rates, etc.

[4] The 2010 Total Tax Contribution Survey report for the Hundred Group of Finance Directors can be downloaded at: http://www.pwc.co.uk/ttc

In addition to providing data on their UK taxes, the E&P companies in the study also provided data on other aspects of their UK economic footprint. This has enabled us to show an overall picture of the value which is distributed to different stakeholders in the industry. This shows that of the total value distributed, 70.6% went to Government in the form of taxes (taxes borne 20.0%, taxes collected including fuel duty 50.6%), 8.6% went to employees (wages and salaries net of employment taxes), 1.6% was interest (interest paid net of interest received), and 19.1% represents profit after tax which is available either to be paid as dividends to shareholders or for reinvestment in the business (see figure 2).

Figure 2 – Taxes borne and collected as a percentage of value distributed

70.6% of the total was paid to Government in taxes borne and collected.



Taxes borne and collected

Figure 3 shows the profile of taxes borne for the E&P companies in the study. Corporation tax (including the supplementary charge to corporation tax) was the largest tax borne accounting for 74.6% of the total. Petroleum revenue tax is the second largest tax paid at 16.6%, and employers national insurance contribution accounts for 5.6% of the total. Sector taxes are therefore an important element of the profile for these companies with 42.4% being represented by petroleum revenue tax and the supplementary charge together.

For every £1 of corporation tax borne, the E&P members in the study pay a further £0.53 in the supplementary charge to corporation tax, £0.34 in petroleum revenue tax and £0.18 in other taxes borne.

Figure 3 – Tax borne by E&P companies - by percentage

Together corporation tax, supplementary charge and petroleum revenue tax are 91.2% of the total taxes borne

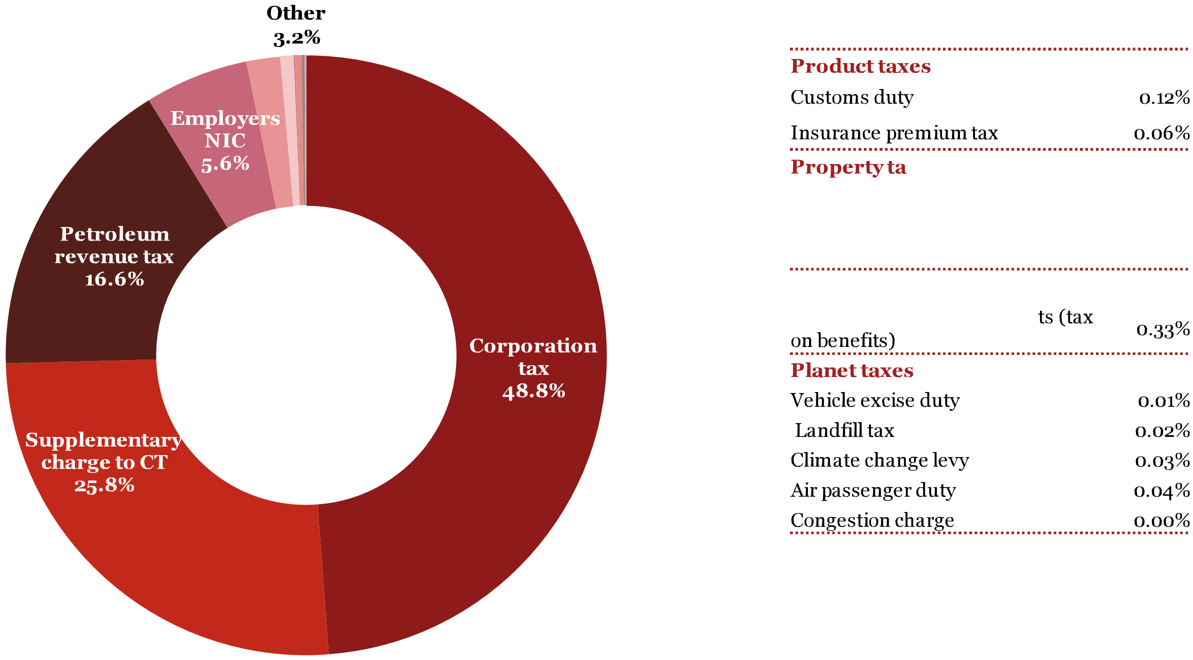
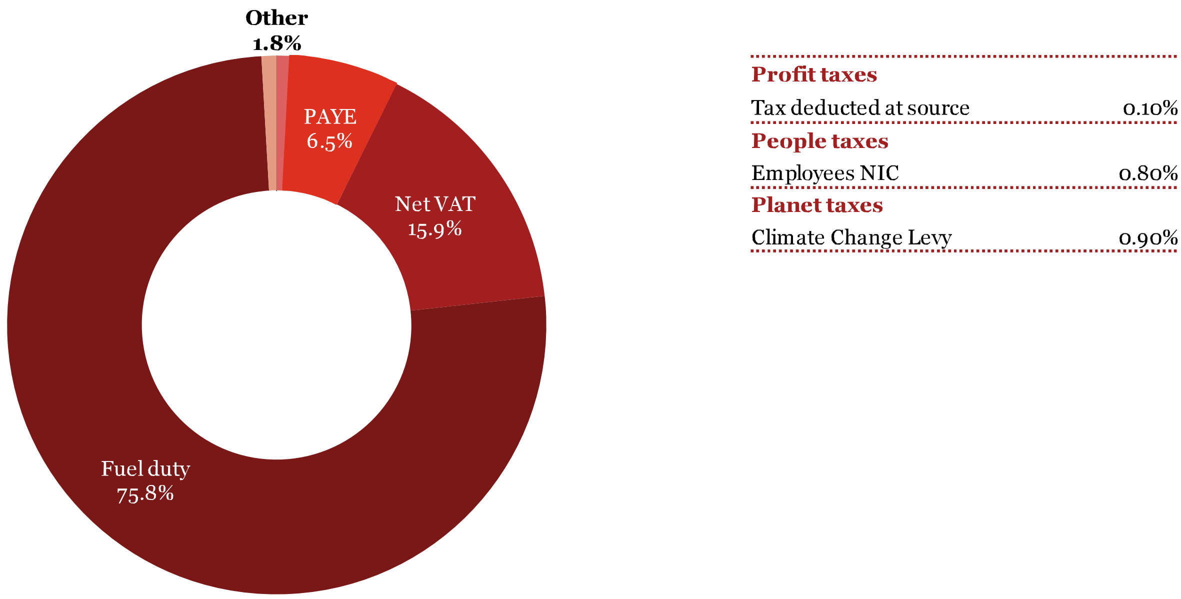


Figure 4 shows the profile of taxes collected for the E&P companies. A substantial element of the taxes collected is the fuel duty and net VAT paid by the integrated companies that have a downstream refining and distribution business activity.

The study shows that total taxes collected are 2.6 times the size of taxes borne and that for every £1 of corporation tax paid there is £3.55 in taxes collected (£2.69 in fuel duty and 86 pence in other taxes collected).

Figure 4 – Taxes collected by E&P companies – by percentage

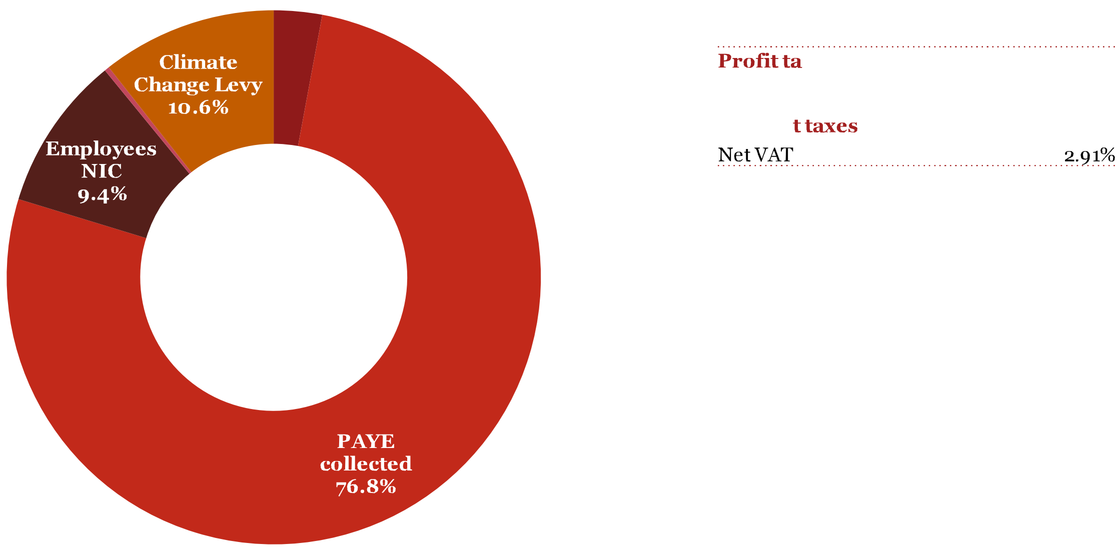
Large amounts of fuel duty and VAT are collected by the companies with downstream business.



If the integrated companies are excluded, employee income tax and National Insurance (NIC) deducted under Pay As You Earn (PAYE) are 71.3% of taxes collected (see figure 5).

Figure 5 – Taxes collected by E&P companies without downstream activities – by percentage

Excluding these, employee NIC and income tax are 71.3% of taxes collected.



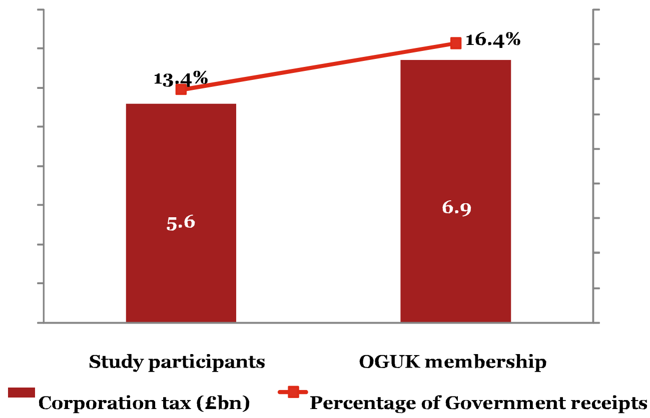
Corporation tax and the supplementary charge to corporation tax

E&P companies are large corporation tax payers. E&P companies with business activities on the UKCS, pay corporation tax at a rate of 30% (2% above the main corporation tax rate of 28% for the fiscal year 2010/11) on their ring-fence income and also the supplementary charge to corporation tax. The companies who took part in the study paid total corporation tax of £5.6bn.

Extrapolating from this figure we estimate that the Oil & Gas UK E&P membership as a whole paid corporation tax of £6.9bn (see figure 6) which accounts for 16.4% of total government receipts for corporation tax for the financial year 2010/11.

Figure 6 – Corporation tax and the supplementary charge to corporation tax paid by E&P companies

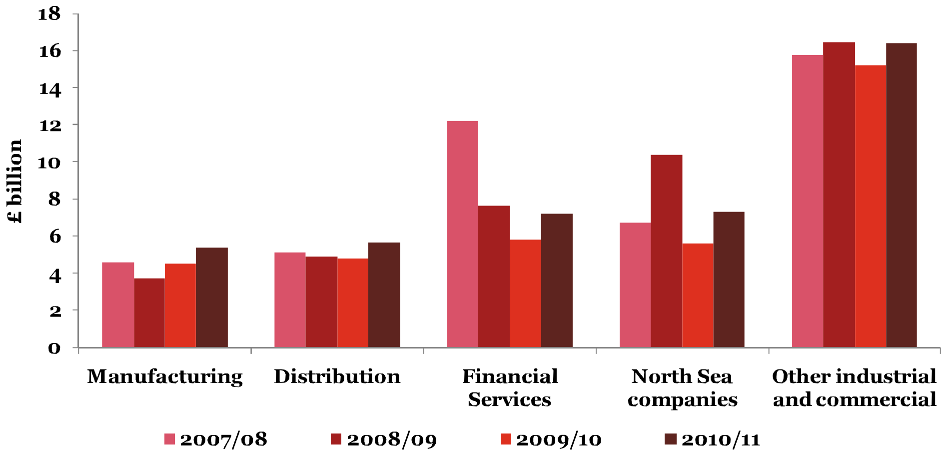
We estimate that Oil & Gas UK E&P members as a whole contributed 16.4% of total corporation tax receipts



Government corporation tax statistics[5] for 2010/11 show that the North Sea companies operating in the oil and gas industry sector were the largest corporation tax payers, and that together with the financial service sector they paid over a third (35%) of total Government corporation tax receipts (see figure 7).

Figure 7 – UK Government corporation tax receipts by business sector – 2008 to 2011

North Sea companies were the largest corporation tax paying sector in 2010/11 with a total of £7.3bn



Using information gathered in the previous Total Tax Contribution study conducted for Oil & Gas UK in 2008, we have been able to generate some trend analysis for those companies that participated in both studies[6]. Thirteen E&P companies took part in both 2008 and 2011. For this subset of companies the amount of corporation tax and the supplementary charge paid increased by 41.3% between 2008 and 2011.

It is important to note that the figures gathered for this study do not reflect the increase in the rate of the supplementary charge to corporation tax announced in the 2011 Budget. From 24 March 2011, the rate of the supplementary charge increased from 20% to 32%, and the tax relief available for decommissioning expenditure was restricted to the previous 20% supplementary charge rate. The impact of these changes will be reflected in any future studies, but an estimation of the impact of these changes is addressed later in this report.

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lementary charge to corporation tax, E&P companies also pay petroleum revenue tax (PRT) which is levied on income arising from oil and gas fields which were given development consent by Government on or before 16 March 1993.

The E&P participants paid PRT of £1.2bn. After corporation tax and the supplementary charge this is the largest tax borne by these companies. Extrapolating from this data, we estimate that the PRT for all E&P companies in the Oil & Gas UK membership is £1.4bn, or 95.8% of total government PRT receipts (see figure 8).

Despite applying only to the older fields, PRT continues to raise significant amounts of UK tax revenue for the Exchequer.

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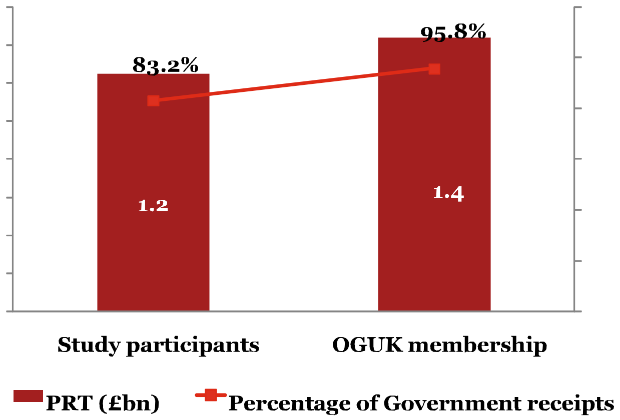
[5] T11.1 – UK Government corporation tax receipts. National Statistics publication produced by HM Revenue and Customs http://www.hmrc.gov.uk/stats/corporate_tax/corporation-tax-statistics.pdf

[6] Trends have been calculated on a like-for-like basis and the figures only included where the same company reported figures for the same taxes in both years.

Figure 8 – Petroleum revenue tax paid by E&P companies

The study companies paid PRT of £1.2bn which is 83.2% of total Government PRT receipts.



PRT receipts from the E&P companies who took part in both of the PwC TTC studies fell by 8.8%. This is broadly in line with Government figures which show that Government receipts of PRT from North Sea companies fell by 11.7% between 2008 and 2011. PRT payments are clearly linked to the number of fields owned with development consent given on or before 16 March 1993 and the profitability of those fields. As these older fields reach the end of their working li ll fall.

Employment taxes

Employment is an important way in which the oil and gas industry contributes to the UK economy. E&P companies employ highly skilled, well paid employees. Those who took part in the study employed over 65,000 employees and paid £1.9bn in employment taxes borne and collected (see figure 9).

Figure 9 – Employment taxes borne and collected by E&P companies

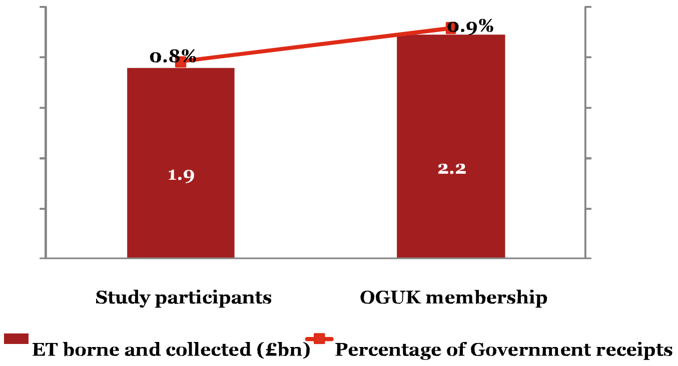
E&P companies in the study have over 65,000 employees generating total employment taxes of £1.9bn.

	2011
Employment taxes borne	**£439,948,953**
PSAs (tax on benefits)	£24,476,906
Employers NIC	£415,472,047
Employment taxes collected	**£ 1,456,830,737**
Employees PAYE	£1,298,318,861
Employees NIC	£158,511,876
Total employment taxes borne and collected	**£1,896,779,690**

Extrapolating these figures to the entire E&P membership of Oil & Gas UK, we estimate that the total employment taxes paid by these companies is £2.2bn, which is 0.9% of all government receipts from income tax and NI contributions (see figure 10).

Figure 10 – Employment taxes borne and collected by the E&P companies

We estimate the entire E&P membership paid and collected employment taxes of £2.2bn.



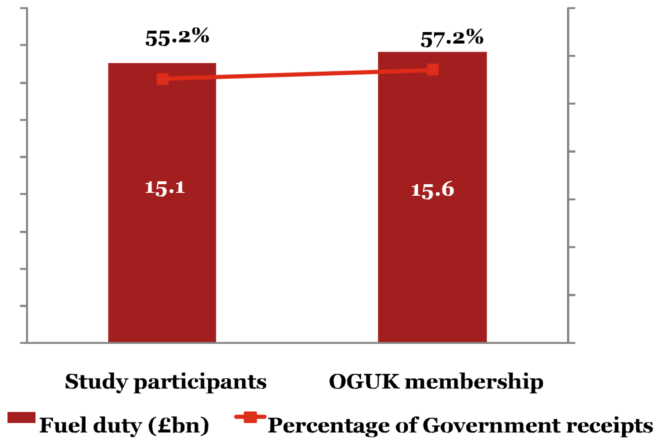
Employment taxes have risen since the 2008 study. For the E&P companies that took part in both studies employment taxes borne and collected increased by 25%. This can be explained by the increase in number of employees, the increase in the wages and salaries paid, and by changes made to employment taxes [7] [8].

Fuel duties

Twenty percent of E&P members taking part in the study have downstream activities and therefore administer and collect fuel duty on behalf of the UK Government. They collect fuel duty of £15.1bn for the year ending 31 March 2011. Extrapolating from this figure it is estimated that the E&P membership with downstream actitivies as a whole collected fuel duty of £15.6bn which represents 57.2% (see figure 11) of total Government receipts for fuel duty for the financial year 2010/11.

Figure 11 – Fuel duty collected by the oil and gas sector

Study participants collected £15.1bn of fuel duty which represents 55.2% of the total Government fuel duty receipts.



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[7] PAYE - A new higher rate of 50% for income over £150,000 applied from 6 April 2010. The higher rate threshold remained the same (£37,400). For 2010/11 onwards, the personal allowance was reduced by £1 for every £2 of adjusted net income above £100,000. This means that an individual with adjusted net income above £112,950 did not receive any personal allowance.

[8] National Insurance - thresholds (both upper and lower) remained the same in 2010 and 2011. Employers NIC is dependent on the lower threshold, while employee NIC is dependent on both the upper and lower thresholds. The increase in NIC by 1% from 6 April 2011 has no impact this study.

The Supply Chain

Eighteen Supply Chain members also participated in this study, providing data on their UK tax payments in their accounts year ended in the fiscal year to 31 March 2011. This represents 24% of the Supply Chain membership by number of companies.

The companies taking part in the study cover the whole range of services supplied to the industry which includes; marine and subsea, facilities, support and services, reservoirs and wells. They also cover the two supply chain tiers of the membership, both main contractors and consultants, and sub contractors and sub suppliers.

For the large majority of these companies (83%) supplying the oil and gas industry is predominantly their main business (90% or more) but for many (55%), less than half of their business is in the UK suggesting that they are potentially very mobile.

The Supply Chain members were asked to provide information for their UK corporation tax, for employers and employees NIC and for employees income tax deducted under PAYE.

Employment taxes

The Supply Chain also contributes to UK employment. The 18 Supply Chain companies taking part in the study employed over 31,000 employees, or on average 1,456 employees per company.

Like the E&P companies, these are skilled, well paid employees who make a major contribution to the UK Exchequer in employment taxes. The total employment taxes borne and collected by Supply Chain companies in the study were £617m (see figure 12), which is on average £29m per company[9].

Figure 12 – Employment taxes borne and collected by the Supply Chain companies

Supply Chain participants have over 31,000 employees and paid employment taxes of £617m.

	2011
Employment taxes borne	
Employers NIC	£147,786,180
Employment taxes collected	
Employees PAYE	£371,682,641
Employees NIC	£97,749,621
Employment taxes borne and collected	**£617,218,442**

Eight Supply Chain companies providing data for the 2011 study also took part in the previous study in 2008. We have therefore been able to look at the trends for this subset of participants. On average, their employment taxes borne and collected increased by 38.7%. This can be explained by the increase in number of employees, the increase in the wages and salaries paid, and by changes made to employment taxes.

[9] For the companies in the study, the average was £29m, the median average £22m and the the range of results was from £0.1m to £131m.

Corporation tax

Supply Chain companies also contribute to UK corporation tax receipts. The 18 Supply Chain companies in the study paid £70m in corporation tax, or £3.5m on average per company[10].

For those companies that participated in both the 2008 and 2011 studies corporation tax payments increased on average by 37.1%.

For every £1 of corporation tax paid, the supply chain companies paid another £8.61 in employment taxes borne and collected.

[10] For the companies in the 2011 study, the average was £3.5m, the median average £2.9m and range of results £0 to £16m.

Impact of the increased rate of the supplementary charge to corporation tax announced in Budget 2011

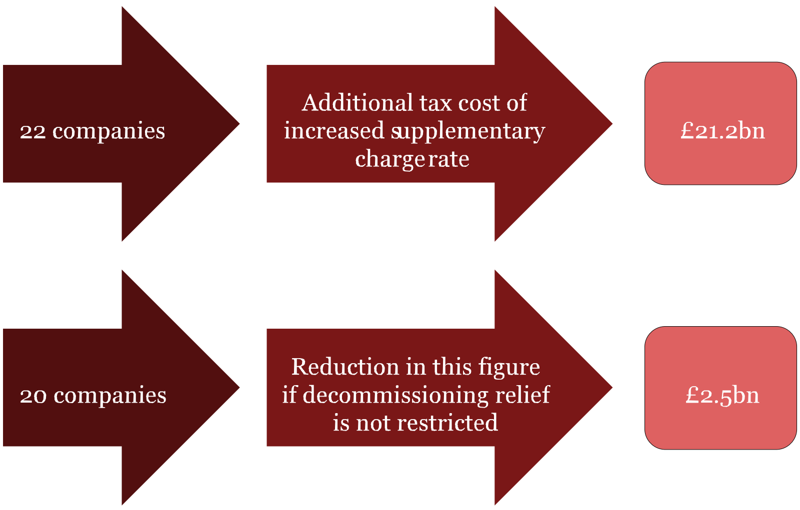
On 23 March 2011, the UK Government announced some significant changes to the UK oil and gas tax regime in its 2011 Budget. The new measures increased the rate of the supplementary charge to corporation tax on oil and gas production, from 20% to 32% with effect from 24 March 2011. For the purpose of the supplementary charge to corporation tax, the tax relief available for decommissioning expenditure was also restricted to 20%.

This is a significant tax increase on the industry, which has the effect of reducing the value of current and future investments in the North Sea. Participants in the TTC survey were therefore asked for their views on how they thought these changes would affect their business.

All but one (96%) of the E&P companies said they have quantified the impact of the Budget 2011 measures on their business. Twenty-two of them (81%) provided a figure for the additional amount of supplementary charge to corporation tax that they expect to pay over the life of their existing fields. The amounts totalled £21.2bn, with the figures for individual E&P companies ranging from £16m to £5.4bn.

We also asked by how much this additional supplementary charge would be reduced, if relief for decommissioning was available at the full rate and not restricted to 20%. Twenty companies provided a figure and said that the additional supplementary charge would be reduced by a total of £2.5bn, or 12%.

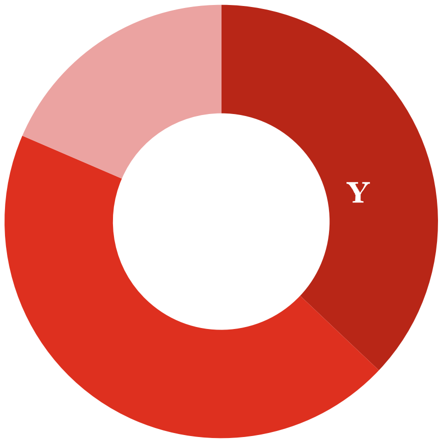
Figure 13 – E&P – Please indicate the additional amount of supplementary charge that you expect to pay over the life of existing fields as a result of the increased rate in Budget 2011



Following the announcement of these new measures, over one-third (37%) of the E&P companies taking part in the study said they are considering scaling back on future investment in the UK. Together they quantified the total amount involved as £6.8bn, with a figure per company ranging between £10m and £4bn.

Figure 14 – E&P – Following the new measures announced, are you considering cancelling or postponing any of your future investment in the UK?

Ten companies said they are considering scaling back with a total value of £6.8bn.



Some companies, who answered no to the question said however that they are still considering the position.

Comments included:

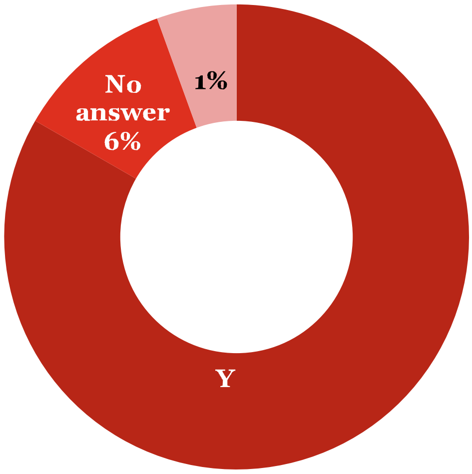
"While we have answered 'No', the fact of the matter is that the effect of the change is still being evaluated and it is currently too soon to provide a definitive answer. C made the UK a less attractive environment in which to invest and as an international oil company the UK competes for funds with other operations."

"We have stated that the tax increase will not change our UK business activities because at this time no decision has been made to cancel any project but the exact impact will not be known until projects are ranked globally and capital allocated accordingly which is an annual event."

The Supply Chain companies were also asked if they expect the Budget 2011 increases for E&P to have a commercial impact on their own UK business. 83% answered 'Yes' to this question.

Figure 15 – Supply Chain – Do you expect the Budget 2011 measures recently announced by the UK Government relating to the oil and gas industry tax regime to have any commercial impact on your UK business?

83% of participants answered 'Yes'.



Comments by Supply Chain companies included:

"Where before we were expecting organic growth through increased activity the increase in [the supplementary charge] has already resulted in project cancellations. Therefore growth … is under threat."

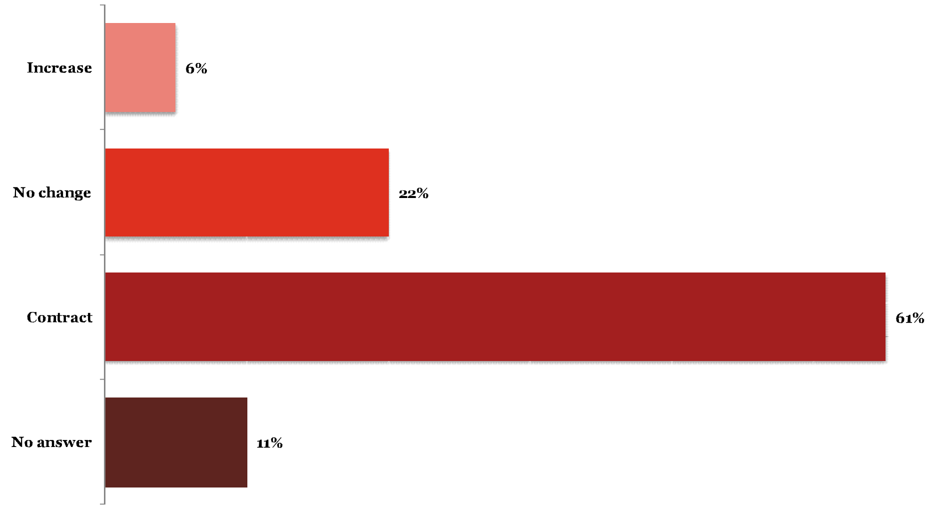
"Recent budget measures have yet to impact our activity levels but in the medium to long t
subsequently the level of [our services] over the asset life."

"We expect business to increase however this is DESPITE the tax increases … the UK could deliver more business if there had not been the change."

As mentioned above, for over half of the Supply Chain companies, the UK is less than half of their global oil and gas related business. All of the Supply Chain companies were asked if they expected the UK to grow or contract as a percentage of their global business. None of the Supply Chain companies thought their UK business would grow as a percentage in the next year, and nearly two thirds (61%) expected a fall over five years, implying that they expect growth to be in their overseas business and not in the UK.

Figure 16 – Supply Chain – do you expect the UK business as a percentage of your global operating to grow or contract in the next five years?

61% expect a fall.

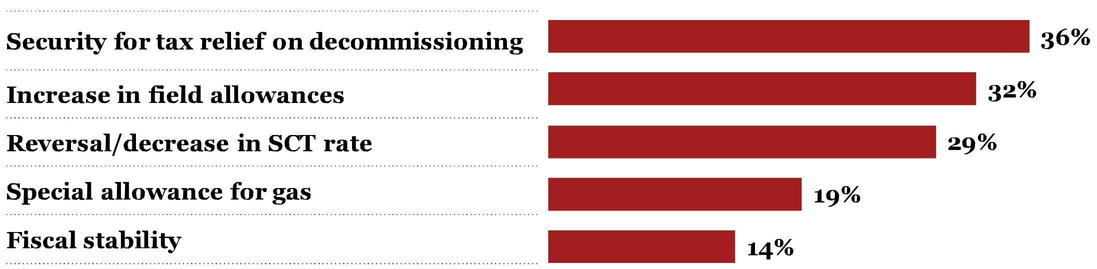


The Budget 2011 changes were unexpected and participants commented that:

"Concern about future fiscal stability severely undermines the attraction of the UK as an investment destination, and the unexpected nature of the March announcement only serves t .

We asked the E&P companies what change they would most like to see in the UK oil and gas tax legislation in the future. Security for tax relief on decommissioning, an increase in field allowances and the reversal, or a decrease in the rate of the supplementary charge to corporation tax, were the three most popular answers.

Figure 17 – E&P companies – What change would you most like to see in the UK oil and gas tax legislation in the future?



Note: Some participants identified more than one desired change.

Appendices

Appendix I: Tax data reported by the Exploration and Production participants

Taxes borne		£s 2011
Taxes on profits (profit taxes)	Corporation tax	3,665,590,666
	Supplementary charge to corporation tax	1,936,402,892
	Petroleum revenue tax	1,248,348,154
Taxes on property (property taxes)	Business rates	137,483,654
	Stamp duty land tax	3,884,133
	Stamp duty reserve tax	2,555,000
Taxes on employment (people taxes)	PSAs (tax on benefits)	24,476,906
	Employers NIC	415,472,047
Taxes on consumption (product taxes)	Irrecoverable VAT	53,751,523
	Insurance premium tax	4,502,808
	Customs duty	8,922,667
Environmental taxes (planet taxes)	Climate change levy	2,582,800
	Vehicle excise duty	536,500
	Air passenger duty	3,089,247
Total		**7,507,598,997**

Taxes collected		£s 2011
Taxes on profits (profit taxes)	Tax deducted at source	5,007,700
Taxes on employment (people taxes)	PAYE collected	1,298,318,861
	Employees NIC	158,511,876
Taxes on consumption (product taxes)	Net VAT	3,165,744,048
	Fuel duty	15,073,642,046
Environmental taxes (planet taxes)	Climate change levy	179,107,704
Total		**19,880,332,235**

Appendix II: Tax data reported by the Supply Chain participants

Taxes borne		**£s 2011**
Taxes on profits (profit taxes)	Corporation tax	69,640,930
Taxes on employment (people taxes)	Employers NIC	147,786,180
Total		**217,427,110**

Taxes collected		**£s 2011**
Taxes on employment (people taxes)	PAYE collected	371,682,641
	Employees NIC	97,749,621
Total		**469,432,262**

Appendix III: PwC team contact details

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