

A collective voice for the development of UK-based business

2021 Total Tax Contribution survey for the 100 Group

Analysis of 100 Group data from 2020/21

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

November 2021

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About the 100 Group

The 100 Group of Finance Directors represents the view of the finance directors of FTSE 100 and several large UK private companies. Our member companies represent the vast majority of the market capitalisation of the FTSE 100 Index. Our aim is to contribute positively to the development of UK and international policy and practice on matters that affect our business, including taxation, financial reporting, corporate governance and capital market regulation. We believe that good fiscal and tax policy is grounded upon long-term stability, simplicity and consistency. Our members collectively employ 5.9% of the UK workforce and, in 2021, paid or generated taxes equivalent to 11.4% of total UK government receipts.



About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 155 countries with over 295,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.co.uk.



Foreword

Welcome to the 17th annual PwC Total Tax Contribution (TTC) survey of the 100 Group. Based on analysis of data received from 95 of the largest companies in the UK, it shows that profits declined significantly as a result of the COVID-19 pandemic, but the TTC of the 100 Group increased as a share of total government receipts (11.4%).

With the survey data covering financial years in the year to 31 March 2021, the period was marked by the health crisis that resulted in a record 9.8% drop in economic output¹. In an effort to curb the spread of the coronavirus, the UK went into lockdown from the end of March 2020 to June 2020, followed by further lockdowns in November 2020 and January to March 2021. At other times various social distancing measures and travel restrictions remained in place, severely impacting the hospitality and travel sectors.

While the scale of the impact on businesses and communities during this period was unprecedented, significant government support, rolled out at speed in the early weeks and months of the crisis, was vital to protect jobs and businesses. Without the furlough scheme, government-backed loans, business rates relief and VAT deferrals, the economic impact would have been significantly more damaging. The report shows that total 100 Group employment was sustained as a result.

¹ https://obr.uk/docs/dlm_uploads/Executive_summary_Economic_and_fiscal_outlook_October_2021.pdf

The crisis had a clear impact on the tax contribution of the 100 Group in this year's report, with TTC falling 7.8% compared to last year's survey. Declining business rates, irrecoverable VAT and corporation tax drove a reduction in taxes borne by the 100 Group, while the decrease in taxes collected, largely driven by fuel duties, reflects the sharp drop in demand. With total government receipts decreasing at a slightly greater rate this year, the 100 Group TTC as a share of total government receipts increased from 11.3% to 11.4% in 2020/21.

The pandemic had an uneven impact across industry sectors, which is reflected in the survey results. Government restrictions limiting social interactions and travel had a clear impact on the hospitality and transport sectors. The supermarkets responded to increased demand while ensuring in-store social distancing to continue operating throughout lockdowns. Meanwhile, the pharmaceutical companies in the 100 Group, which clearly played a key role in responding to the crisis, significantly increased investment in research and development, contributing to a 15% year-on-year increase in 100 Group R&D expenditure.

Unsurprisingly, profitability decreased for the companies in the survey and as a result, the total tax rate reached 53.9% in 2021, an increase of 6.0 percentage points compared to 2020 and the highest rate since the financial crisis. Despite this, the report shows that the 100 Group sustained employment levels this year.

The survey again shows that, faced with challenging economic conditions, the tax and wider economic contribution from large companies remains significant. Despite the decrease in taxes borne and collected, 100 Group TTC and total employment have increased as a share of total

government receipts and UK employment, providing a reminder of the importance of large companies in challenging times. With profits falling during the pandemic, the value distributed by the 100 Group emphasises the contribution that goes to the government in taxes borne and collected (53.2%) and to employees in wages and salaries (37.0%).

Clearly the pandemic's impact on the public finances has been significant. With the recovery underway, the government will be focusing on repairing the public finances and tax rises have already been announced for the coming years. The headline rate of corporation tax is set to increase from 19% to 25% in April 2023, while the health and social care levy will represent a 1.25 percentage point increase in national insurance contributions made by employers and employees from April 2022. Furthermore, to ensure that business investment continues to drive the recovery, more generous capital allowances will be in place between 1 April 2021 and 31 March 2023. It will be interesting to see how these legislative changes impact the tax and wider contribution of this group of companies in the coming years.

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



Andy Agg

Chair of the 100 Group Tax Committee

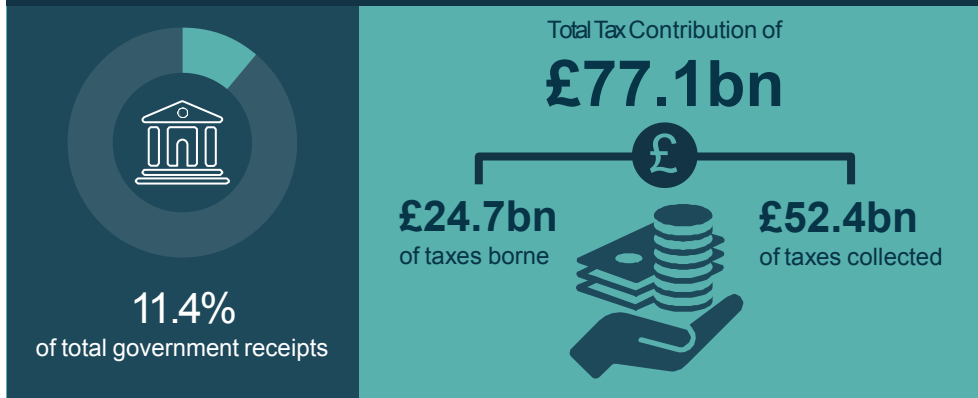


Andrew Packman

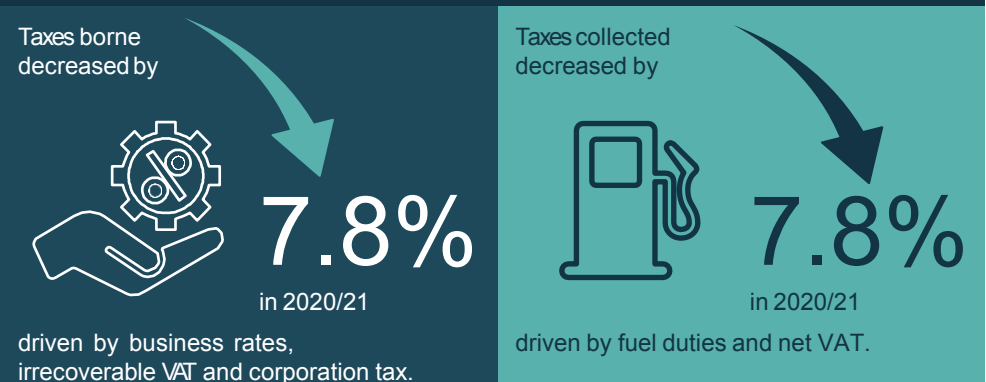
PwC, Total Tax Contribution and Tax Transparency leader

Key findings

In the context of the COVID-19 pandemic and the largest peacetime economic shock on record, the Total Tax Contribution of the 100 Group fell by 7.8% in 2020/21, but has increased as a share of total government receipts.

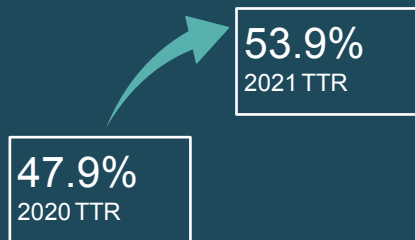


Both taxes borne and taxes collected decreased by 7.8% in 2020/21.

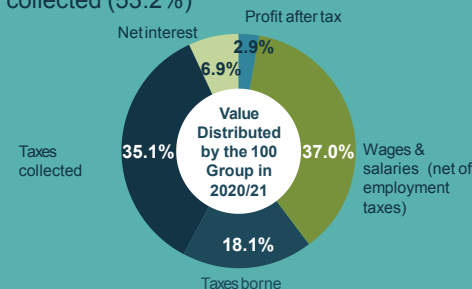


The Total Tax Rate (TTR) and Value Distributed indicators increased for the 100 Group in 2020/21.

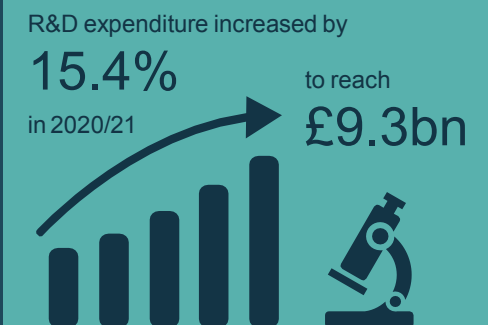
While taxes borne decreased in 2020/21, profits fell by a greater rate, pushing the average TTR for the 100 Group up by 6 percentage points.



Over half of 100 Group value distributed goes to the government in taxes borne and collected (53.2%)



Despite large parts of the economy being forced to close during the COVID-19 crisis, employment levels were sustained within the 100 Group and research & development expenditure increased significantly.



Total Tax Contribution of the 100 Group in 2021

The Total Tax Contribution (TTC) of the 100 Group² in 2020/21 is estimated to be £77.1bn, which represents 11.4% of UK government receipts.

The 95 companies that participated in the 2021 survey provided data on taxes paid totalling £72.0bn. After extrapolation to all 100 Group members, the TTC is estimated to be £77.1bn, which represents 11.4% of total government receipts for the year ended 31 March 2021 (figure 1). This comprises total taxes borne of £24.7bn and total taxes collected of £52.4bn. Within taxes borne, we estimate corporation tax payments of £6.6bn (12.6% of total corporation tax receipts). Employment taxes make up £25.0bn of the total tax contribution, 8.0% of government receipts of employment taxes.

Other business taxes paid (those borne and collected in addition to corporation tax), account for 91.3% of the TTC for the 2021 survey.

Figure 1 – Total Tax Contribution of the 100 Group, 2020/21

	Survey participants (£m)	Extrapolated to the 100 Group (£m) ³	Percentage of government receipts ⁴
Corporation tax ⁵	6,260	6,565	
Other taxes borne	16,772	18,113	
Taxes borne	23,032	24,678	
Taxes collected	48,919	52,390	
Total Tax Contribution	71,951	77,068	11.4%

Source: PwC analysis

² This includes all companies that have contributed data in TTC surveys conducted for the 100 Group and are members or have been members.

³ Extrapolation has been carried out on a conservative basis using data on UK corporation tax from published accounts where available or data on UK revenues, and applying ratios from companies in the same industry sector.

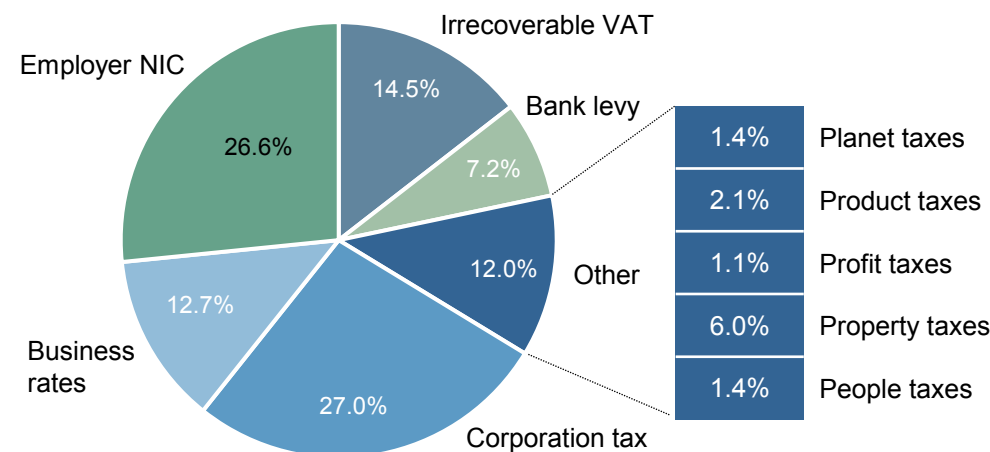
⁴ Office for Budget Responsibility (OBR) - Economic and fiscal outlook supplementary fiscal tables – October 2021. Table 2.8. Current receipts (on a cash basis).

⁵ Extrapolated corporation tax payments are 12.6% of government receipts of corporation tax.

Figure 2 shows the profile of taxes borne paid by 100 Group companies in 2020/21. The largest tax borne was corporation tax, at 27.0% of total taxes borne (compared to 25.5% in 2019/20). Employer NICs is the second largest tax borne, at 26.6% of total taxes borne (compared to 25.7% in 2019/20). The third largest is irrecoverable VAT (14.5%) followed by business rates (12.7%).

For every £1 of corporation tax, £2.68 is paid in other business taxes borne. In 2005, the ratio was 1:1.

Figure 2 – Taxes borne by percentage, 2020/21



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

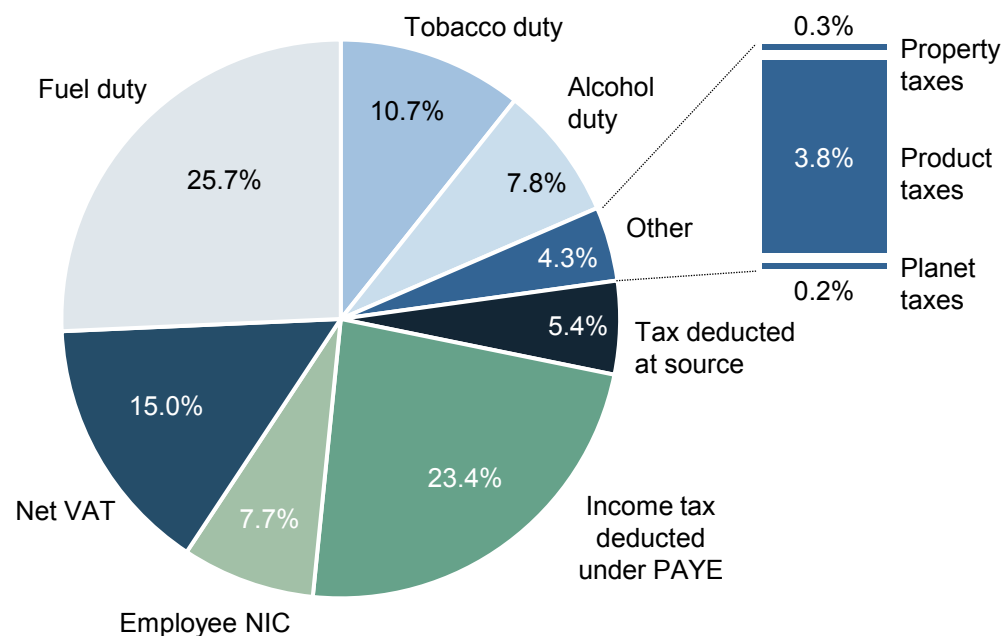
Total Tax Contribution of the 100 Group in 2021

The Total Tax Contribution (TTC) of the 100 Group in 2020/21 is estimated to be £77.1bn, which represents 11.4% of UK government receipts.

Figure 3 shows the profile of taxes collected by 100 Group companies in 2020/21. Employment taxes, at 31.1%, are the largest share of taxes collected (income tax deducted under PAYE: 23.4% and employee NIC: 7.7%) followed by fuel duties at 25.7% (figure 3). For every £1 of corporation tax borne by this group of companies, there is £7.81 of taxes collected.

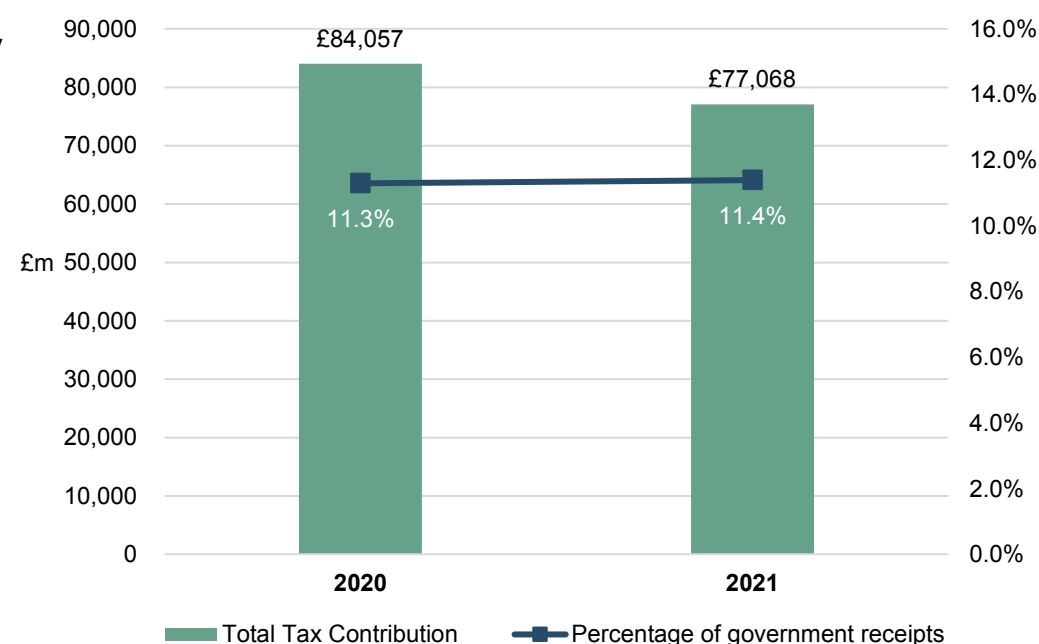
Both taxes borne and taxes collected decreased in this year's survey, by 7.8% (see page 19 for the two-year trend analysis). The TTC in 2021 is £7.0bn lower than in 2020, but represents an increasing share of total government receipts (figure 4).

Figure 3 – Taxes collected by percentage, 2020/21



Source: PwC analysis

Figure 4 – Total Tax Contribution of the 100 Group, 2020 and 2021



Source: PwC analysis

TTC Methodology

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

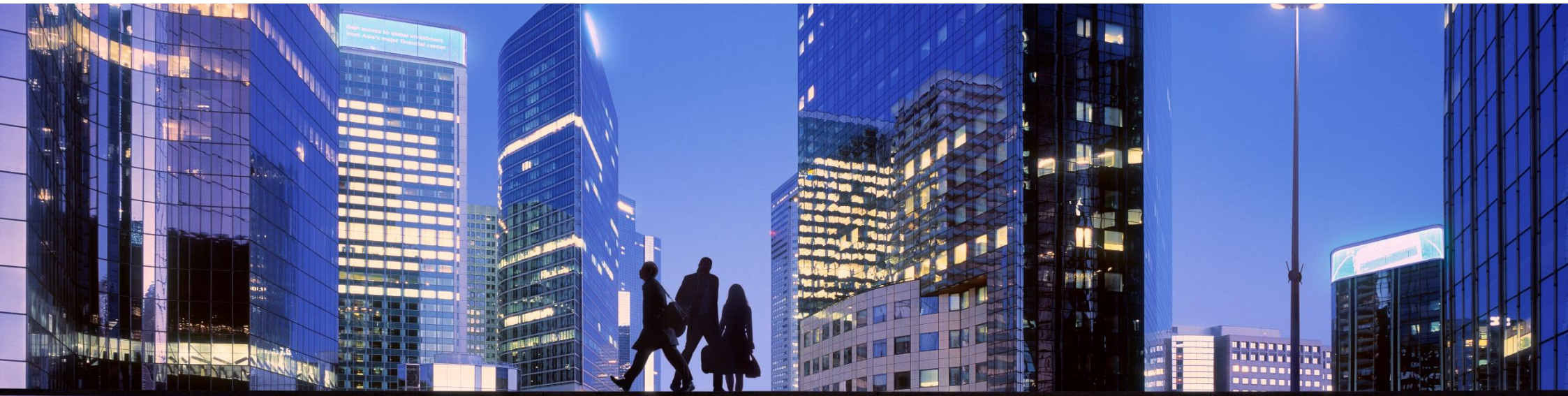
Taxes borne by a company are those that represent a cost to the company and are reflected in its financial results, e.g. corporation tax, employer NIC and business rates, etc.

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

We have identified 29 business taxes in the UK under the TTC methodology⁶ in 2021 (Appendix 2), including the addition of the digital services tax, introduced in April 2020. Of these 29, there are 24 business taxes borne (including corporation tax) and 14 business taxes collected (note that some business taxes can be categorised as both borne and collected depending on the specific circumstances).

The survey collects data from 100 Group members on all of their UK tax payments. PwC has anonymised and aggregated this data to produce the survey results. PwC has not verified, validated or audited the data and cannot give any undertakings as to the accuracy of the survey results in that respect. PwC sense check the TTC data received from each company and may ask the participant to clarify and explain particular elements. Data was extrapolated to provide an estimate of the TTC of the entire 100 Group. The same methodology has been used since the survey began, allowing the results to be compared across 17 years of the survey.

This report focuses on the contribution made in taxes borne, taxes collected, and the wider economic contribution. It analyses the trend over the last twelve months and also the last 17 years, highlighting the changing tax profile and how changing economic conditions and legislation have impacted these trends. It also takes a look at how companies are using their TTC data and their views on tax transparency initiatives and the current UK tax regime.



⁶ <https://www.pwc.co.uk/services/tax/insights/total-tax-contribution-framework-common-questions.html>

Value distributed

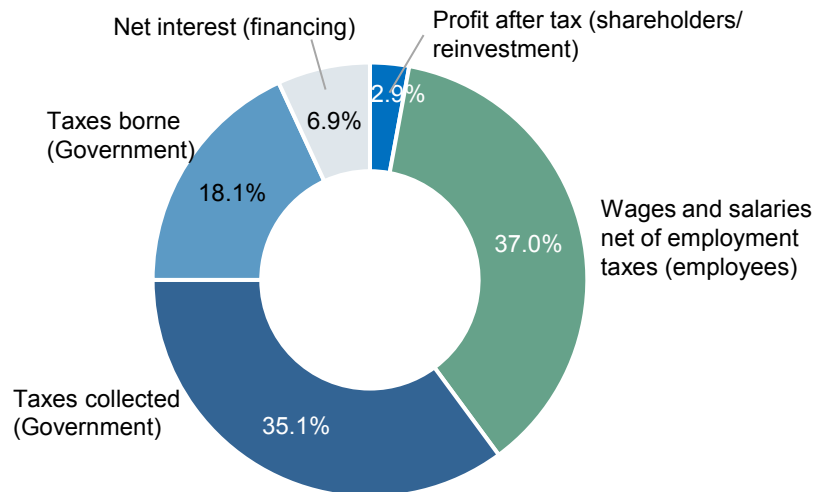
The Total Tax Contribution can be put into the context of value distributed⁷ by companies. In 2020/21, over half of the value distributed goes to the government in taxes borne and collected (53.2%), while 37.0% goes to employees in the form of wages and salaries.

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

The survey results show that the government remains the largest beneficiary of the value distributed by the 100 Group participants, at 53.2% of the total (2020: 47.0%). Wages paid to employees (net of employment taxes) are the second largest share of the value distributed, at 37.0%. Profits after tax (available to reinvest in the company or distribute to shareholders as dividends) account for 2.9% of the total (figure 5).

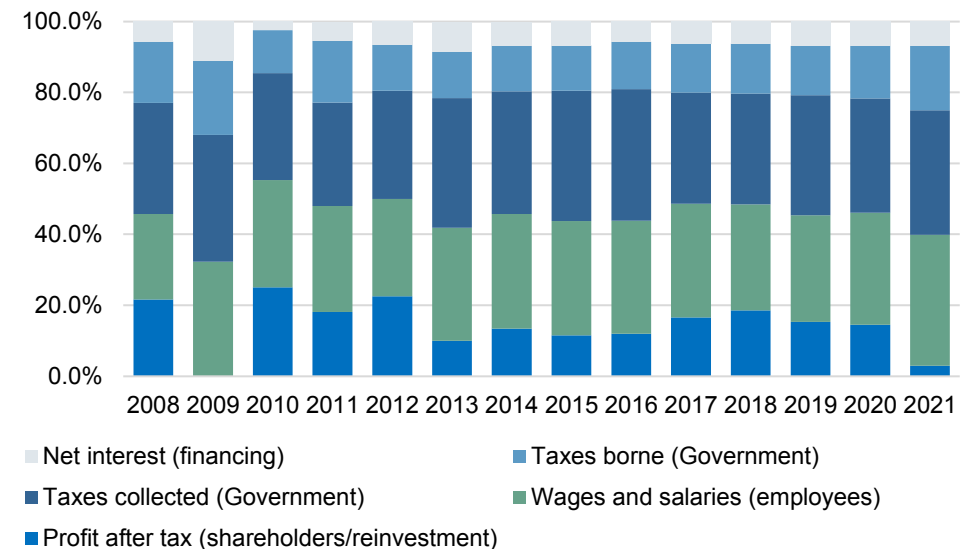
The trend in value distributed by the 100 Group (Figure 6), shows that the government has been the largest beneficiary of the value distributed every year of the survey. The trend also shows the impact of the financial crisis, marked by the 100 Group suffering an overall loss in 2009, before recovering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

Figure 5 – Value distributed by the 100 Group participants, 2020/21



Source: PwC analysis

Figure 6 – Profile of value distributed by the 100 Group participants, 2008 to 2021



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

⁷ Value distributed includes taxes and other costs funded from profits, profits retained or distributed to shareholders plus taxes generated from the business activity and collected on behalf of government.

The wider economic contribution – GVA and UK suppliers

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

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

On average, each company supported 5,393 UK suppliers⁸ (figure 7), emphasising the considerable indirect impact that the 100 Group companies have on the wider UK economy.

GVA is a measure of the value of goods and services produced, and is used to calculate GDP. We estimate that the average GVA per employee for the 100 Group companies is £62,786⁹, compared to an estimated GVA per employee of £60,350 in the UK economy as a whole¹⁰ (figure 8).

Figure 7 – Number of UK suppliers supported by survey participants in 2020/21

	Percentage of participants providing data	Average number of UK suppliers
UK suppliers supported by each 100 Group company	67%	5,393 ¹¹

Source: PwC analysis

Figure 8 – Gross Value Added per employee in 2020/21

	Average for the 100 Group of companies	UK GVA per employee
GVA per employee	£62,786	£60,350

Source: PwC analysis

⁸ On a like-for-like analysis, there was a 8.2% decrease in the average number of UK suppliers compared to 2020.

⁹ GVA was calculated using the income approach, defined as the sum of profit before tax, wages and salaries, employers' social contributions, depreciation, amortisation, and taxes incurred as a result of engaging in production.

¹⁰ GVA per employee for the UK was calculated using ONS data for Gross Value Added (average) at basic prices, divided by total UK employment: A01: Summary of labour market statistics <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics>

¹¹ The median was 3,094; the trimmed mean was 3,690. 64 companies provided data.

The wider economic contribution – employment

The 100 Group employs 1.9 million people, paying an average wage of £36,094 and contributing employment taxes of £12,580 per employee on average.

The 100 Group companies are major employers – the survey participants employed 1.7 million people in 2021. Extrapolating this to the 100 Group, we estimate total employment of 1.9 million people (figure 9). This represents 5.9% of the total UK workforce. The average wage per employee is £36,094 (compared to the average national wage of £31,859¹²) with average employment taxes of £12,580 paid per employee. The average salary and employment tax per employee are calculated by taking the totals for the survey population and dividing by the total number of employees. The 100 Group employs highly skilled, well paid workers and the average salary exceeds the national average, emphasising the contribution that the 100 Group makes through employment.

The 100 Group paid a total of £25.0bn in employment taxes borne and collected (extrapolated), which accounts for 8.0% of total government receipts from employment taxes. Employment taxes are the largest element of total taxes borne and taxes collected. Employer NIC, at 26.6%, is the second largest tax borne for participants, and income tax deducted under PAYE together with employee NIC account for 31.1% of taxes collected.

The survey results show that the participating companies paid a total of £21.6bn in employment taxes, including £6.4bn in employment taxes borne and £15.2bn in employment taxes collected (figure 10).

On a like-for-like basis, where companies have supplied data for employment taxes, wages and salaries, and total UK employees for the 2020 and 2021 surveys, the number of employees increased by 0.9%, wages and salaries decreased by 2.1% and employment taxes decreased by 2.4% (figure 11). The Coronavirus Job Retention Scheme (CJRS) helped to maintain employment levels, but some on the furlough scheme received a lower level of income, which is reflected in lower wages and salaries. The increase in total UK employees, on a like-for-like basis, was driven by the retailers that stayed open during periods of lockdown.

Figure 9 – Employment tax figures for the 100 Group in 2020/21

	Survey participants	Extrapolated to the 100 Group	Percentage of Government figures
Number of UK Employees	1.7m	1.9m	5.9% ¹³
Total employment taxes	£21,635m	£25,000m	8.0% ¹⁴

Source: PwC analysis

¹² Based on the median gross weekly earnings for full-time employees, Office for National Statistics (ONS) Employee earnings in the UK: 2021, 26 October 2021

¹³ ONS Employment by industry (Labour Force Survey), 17 August 2021

¹⁴ The Office for Budget Responsibility (OBR) - Economic and fiscal outlook supplementary fiscal tables – October 2021. Table 2.8. Current receipts (on a cash basis).

The wider economic contribution – employment

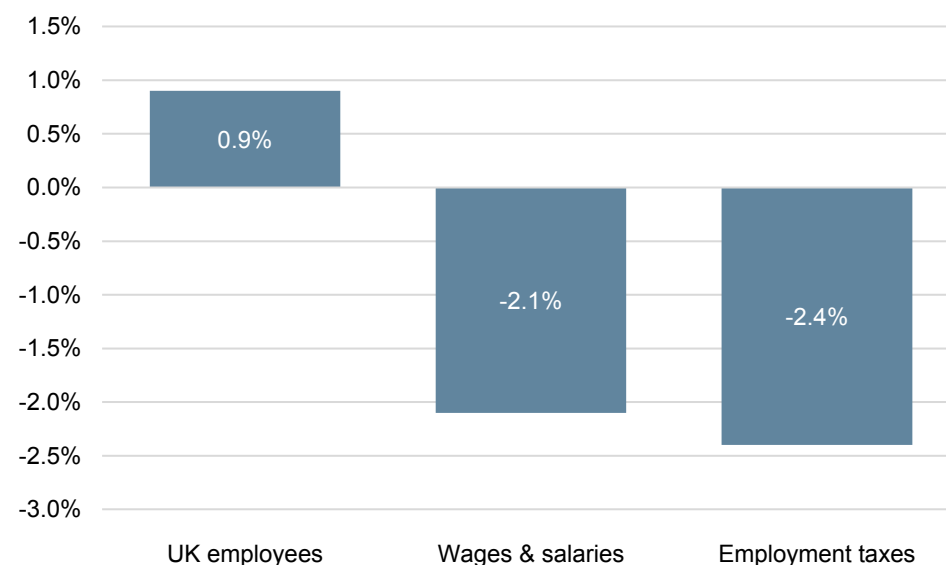
The 100 Group employs 1.9 million people, paying an average wage of £36,094 and contributing employment taxes of £12,580 per employee on average.

Figure 10 – Employment tax figures for the survey participants in 2020/21

	£
Employment taxes borne	
Employer NIC	£6,156m
PAYE agreements (PSAs) (tax on benefits)	£104m
Net apprenticeship levy	£181m
Total employment taxes borne	£6,441m
Employment taxes collected	
Employee NIC	£3,763m
Income tax deducted under PAYE	£11,431m
Total employment taxes collected	£15,194m
Total employment taxes borne and collected	£21,635m

Source: PwC analysis

Figure 11 – Trends in number of UK employees, wages and salaries, and employment taxes, 2020 to 2021



Source: PwC analysis, based on 79 companies that provided data for the number of employees, wages and salaries and employment taxes in both the 2020 and 2021 surveys.

The wider economic contribution – capital investment, research and development

Business investment is an important contribution that large companies make to the UK economy. While capital investment decreased in 2020/21 as companies responded to the COVID-19 pandemic, there was a 15.4% increase in research and development expenditure by the 100 Group, driven by the pharmaceutical companies.

The 100 Group makes a significant contribution to innovation and the fabric of the UK economy through capital investment and by funding research and development. 93% of the participating companies provided data showing that total investment in tangible fixed assets was £18.5bn, representing 9.4% of UK expenditure on business investment (figure 12). On a like-for-like basis, where we have company data for the 2020 and 2021 surveys, this represents a decrease of 21.0%, a reflection of companies reducing business investment during the crisis

The survey participants also invested a total of £9.3bn in research and development (R&D), an increase of 15.4% compared to 2020 (figure 13). The increase in R&D expenditure was driven by the pharmaceutical sector.

Figure 12 – Investment made by 100 Group companies in fixed assets 2020/21

2021 survey	Percentage of participants providing data	Total (£m)	Percentage of the total UK amount	Trend 2020 – 2021 on a like-for-like basis
UK fixed assets additions	93%	18,490	9.4% ¹⁵	-21.0%

Source: PwC analysis

Figure 13 – Investment made by 100 Group companies in research and development 2020/21

2021 survey	Percentage of participants providing data	Total (£m)	Trend 2020-2021 on a like-for-like basis
R&D expenses	48%	9,275	15.4%

Source: PwC analysis

¹⁵ ONS Gross Fixed Capital Formation: Business Investment: CP SA: £m, 11 November 2021

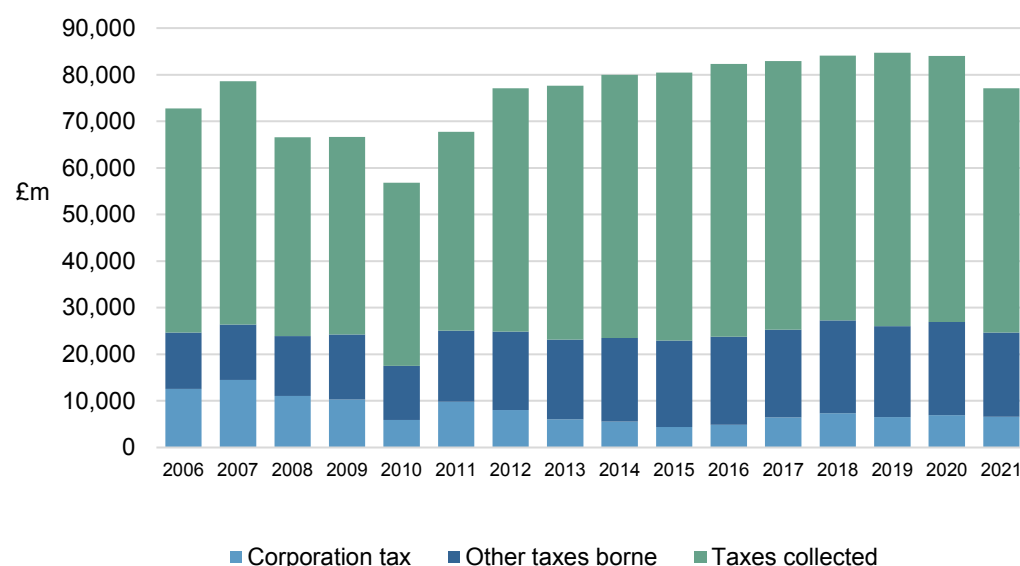
The changing profile of tax

The profile of taxes paid by large businesses has changed significantly over the 17 years of the survey, as a result of changes to tax policy and economic conditions. The most pronounced change has been a shift from corporation tax towards other business taxes, such as business rates, employer NIC and irrecoverable VAT. In 2005, other business taxes were 50.0% of taxes borne. In 2021, they account for 73.0%.

Figure 14 shows the total tax contribution of the 100 Group since 2006, split between corporation tax, other taxes borne and taxes collected. Over the previous nine years, the total contribution had been relatively stable, reaching over £80bn for six consecutive years to 2020. In 2021, the total contribution is at the lowest level for ten years as a result of the COVID-19 pandemic. Figure 14 also shows the impact of the financial crisis between 2008 and 2011.

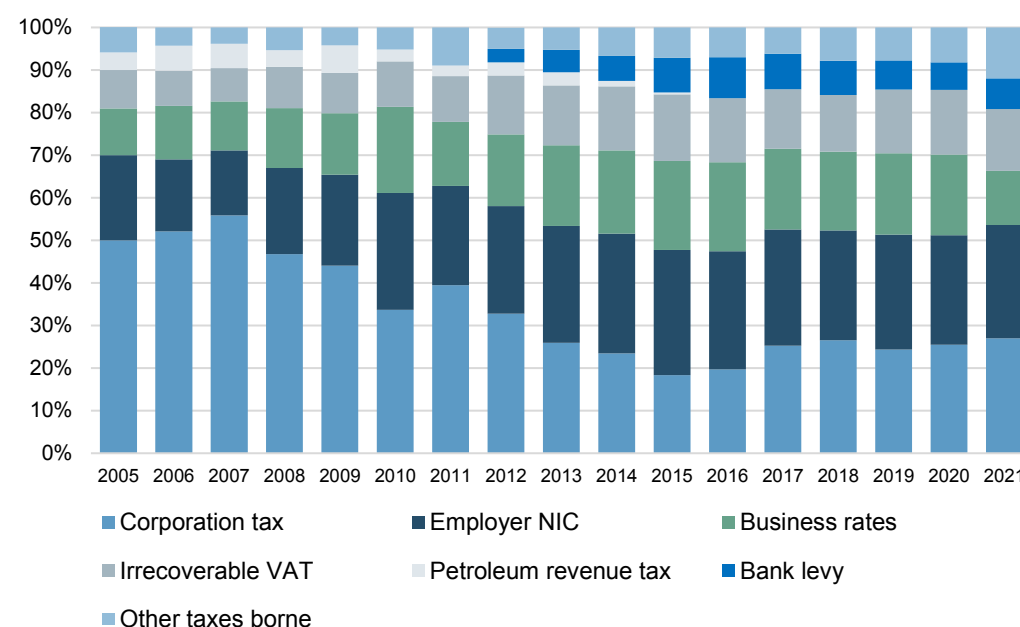
A major trend since the survey began has been the decreasing share of corporation tax compared to other business taxes. Figure 15 shows that, in 2005, corporation tax accounted for 50.0% of taxes borne, increasing to 55.9% in 2007 just before the financial crisis. The trend from 2007 to 2015, with the exception of 2011, was for corporation tax to account for a declining share of taxes borne each year, while the contribution from other business taxes has increased. The share of taxes borne from employer NIC, for example, has increased over the survey period, becoming the largest tax borne between 2013 and 2020, with the exception of 2018.

Figure 14 – Total Tax Contribution for the 100 Group, 2006 to 2021¹⁶



Source: PwC analysis

Figure 15 – Profile of taxes borne, 2005 to 2021



Source: PwC analysis

¹⁶ The chart is based on extrapolated data from each survey.

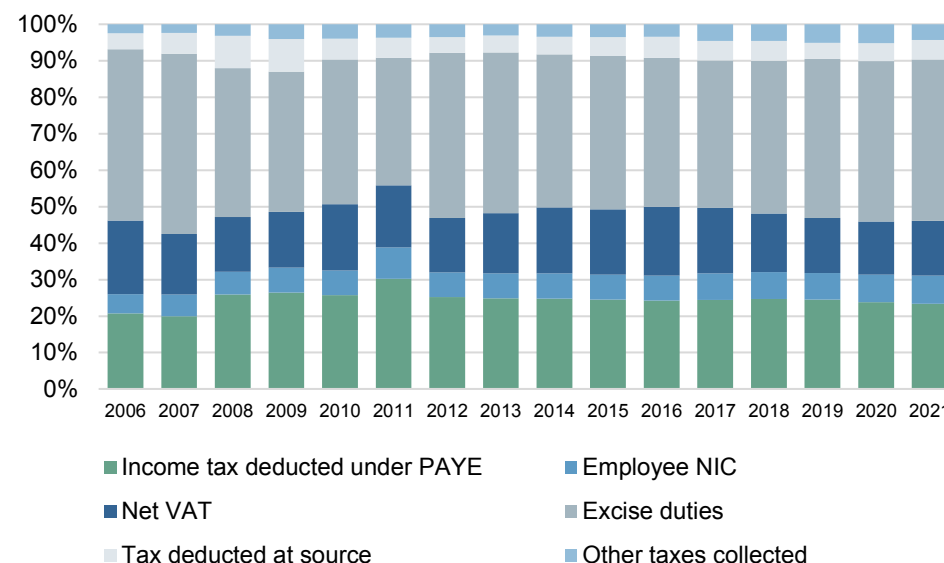
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There are a range of factors influencing the changing profile, including variations in profitability relating to different sectors within this group of companies, and depressed profitability on the whole in the aftermath of the financial crisis. However,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

However, the headline rate is not the only factor that affects corporation tax receipts. In 2018, with the headline rate at 19%, corporation tax was the largest tax borne for 100 Group companies, after increasing for three consecutive years. This was largely a result of government legislation, particularly affecting the corporation tax paid by the banks in the survey. This included tighter loss relief legislation (companies were restricted in their ability to use carried forward losses to offset against taxable profits), non-deductibility of compensation payments, and the introduction of the bank surcharge in January 2016, imposing an additional 8% surcharge on bank profits. Tighter loss relief legislation applied to other industry sectors from April 2017, with 50% of taxable profits eligible to be offset by carried forward losses. Legislation restricting corporate interest deductions was also introduced from April 2017. In 2021, corporation tax is once again the largest borne by 100 Group companies.

Figure 16 – Profile of taxes collected, 2006 to 2021



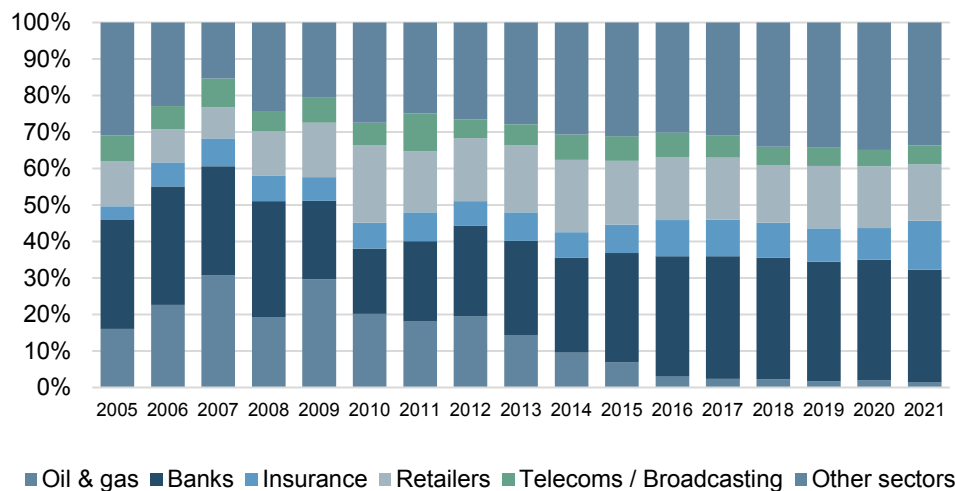
Source: PwC analysis

The changing profile of tax

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

The profile over the survey period shows the trend away from oil and gas companies, towards a greater reliance on financial services (44.2% of total taxes borne in 2021). It also demonstrates the significant contribution from the retail sector, which has averaged 17.6% of taxes borne since 2010. The 2021 profile shows a significant increase from the insurers (13.4% of the total), the only major sector for which taxes borne increased.

Figure 17 – Profile of taxes borne by sector, 2005 to 2021

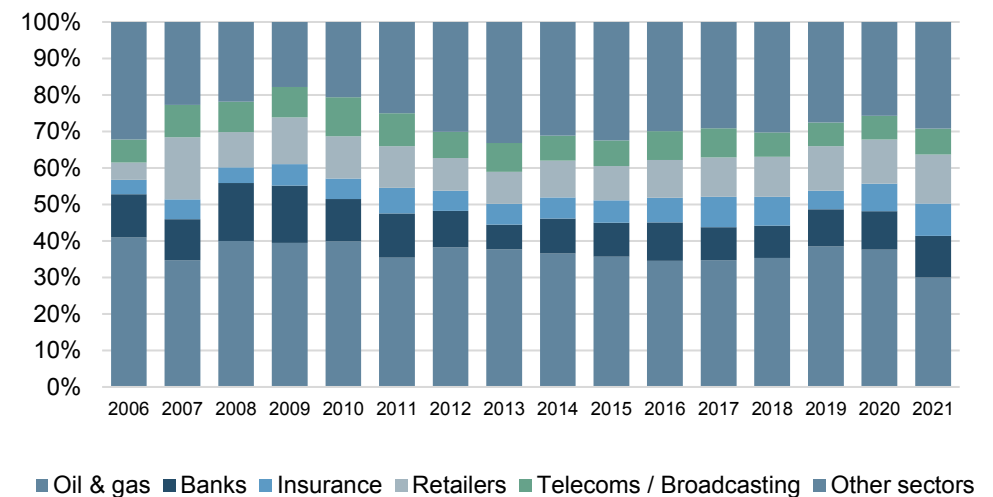


Source: PwC analysis

When taxes collected are added to the sectoral analysis, the continued importance of the oil and gas sector is evident, particularly as a consequence of fuel duties, which are levied when petroleum products are sold in the UK (figure 18). However, the share of taxes collected from the sector decreased in 2021, from 37.6% to 30.0%, as a result of the decrease in excise duties collected in the year as the pandemic significantly reduced demand. As a consequence, the oil and gas sector contributed 20.9% of the total tax contribution, its lowest share since the survey began (figure 26).

In contrast to the profile of taxes borne, the profile of taxes collected is notable for its stability since the financial crisis, both in terms of the profile by taxes and by sector (figure 16 and 18). Excise duties account for the largest share of taxes collected at 44.2%, followed by 31.1% from employment taxes (income tax deducted under PAYE 23.4% and employee NIC 7.7%).

Figure 18 – Profile of taxes collected by sector, 2006 to 2021



Source: PwC analysis

The changing profile of tax

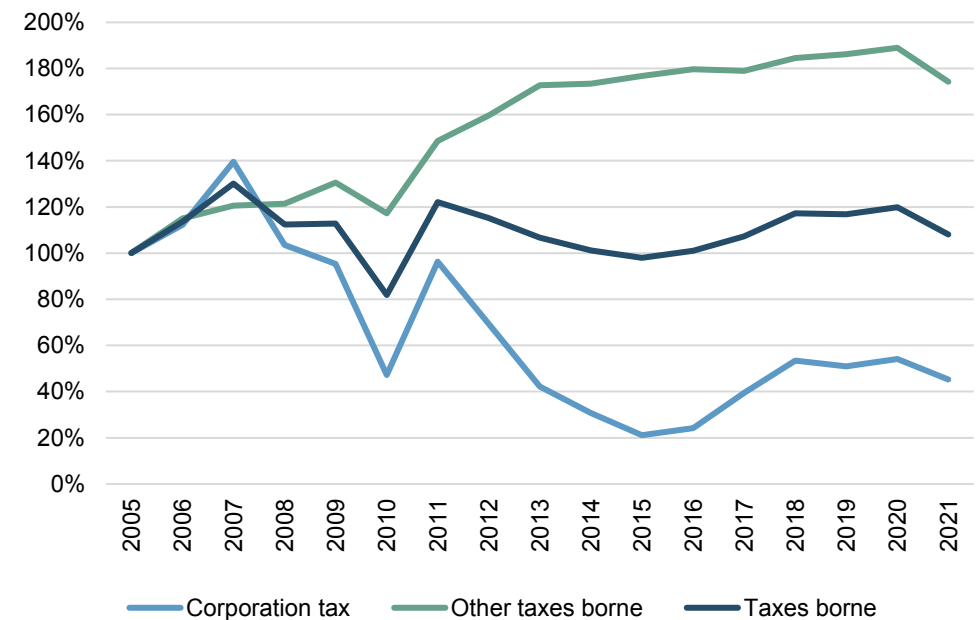
Over the last 17 years, the TTC survey has collected an extensive bank of data on tax payments by the 100 Group members, providing a unique insight into the changing profile of taxes paid by the largest UK companies. 27 companies have provided data in all the surveys we have undertaken. This enables us to look at long-term trends on a like-for-like basis.

Figure 19 displays taxes borne by these 27 companies split into corporation tax and other taxes borne, to show how the contribution from those different elements, along with total taxes borne, has changed over time. The broad trend over the survey period has been for decreasing corporation tax contributions since 2007 to be offset by increasing contributions from other business taxes borne.

Other taxes borne are 74% greater than in 2005 when the survey began, while corporation tax has decreased by 55%. However, the increase in other taxes borne has slowed since 2013, and both corporation tax and other taxes borne decreased in 2021 as a result of the pandemic.

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

Figure 19 – 2005 to 2021 trends in taxes borne - corporation tax, other taxes borne and total taxes borne



Source: PwC analysis

The changing profile of tax

Over the last 17 years, the TTC survey has collected an extensive bank of data on tax payments by the 100 Group members, providing a unique insight into the changing profile of taxes paid by the largest UK companies. 27 companies have provided data in all the surveys we have undertaken. This enables us to look at long-term trends on a like-for-like basis.

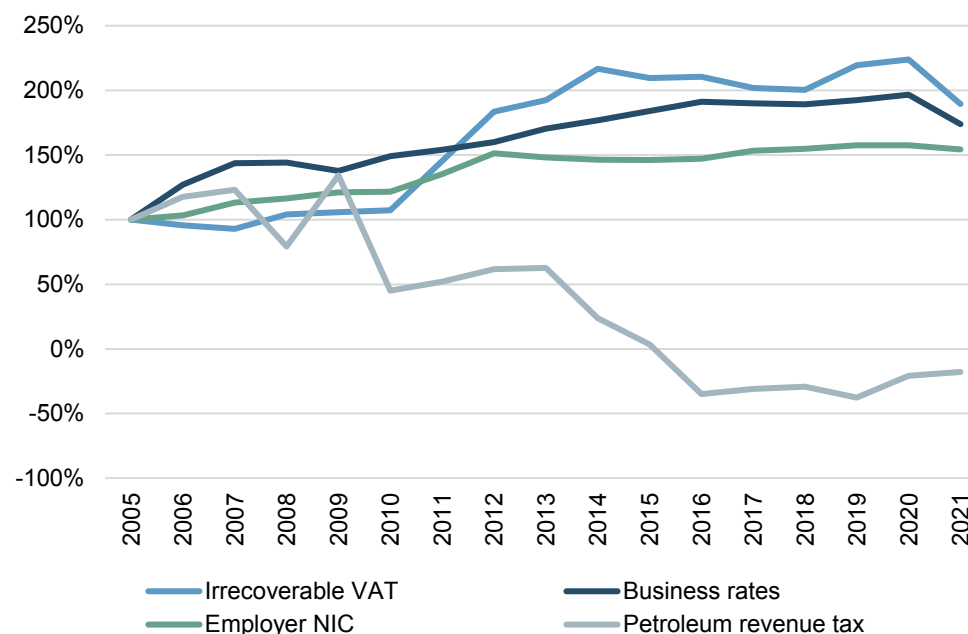
Figure 20 looks at the trend in other taxes borne in greater detail, splitting out the largest taxes from this category over the survey period: employer NIC, business rates, irrecoverable VAT and petroleum revenue tax (PRT). Irrecoverable VAT arises when input VAT cannot be reclaimed by companies that provide services or products that are exempt from VAT, as is the case for the financial services sector. For the companies that have provided data for the entire survey period, irrecoverable VAT in 2021 is 90% higher than in 2005, having been over twice the 2005 level between 2014 and 2020. The increase over the survey period has largely been driven by the increase in the rate of VAT to 20% in 2011, changes in the EU VAT system in 2010, and legislative and case law changes for the financial services sector. In addition, a trend for the financial services sector to outsource more of its activities resulted in increased input VAT. The decrease in 2021 is due to lower expenditure in the banking sector, partially attributable to the pandemic.

Business rates are 74% higher than in 2005, following a sharp decline in 2021. The prior increase across the survey period was driven by increasing multipliers (see section on business rates for more detail) and rateable values.

Employer national insurance contributions for these 27 companies have increased by 54% over the survey period as a result of increased rates in 2011 and increasing wages over the survey period, including the impact of the national living wage in April 2016.

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

Figure 20 – 2005 to 2021 trends in taxes borne - irrecoverable VAT, business rates, employer NIC, and petroleum revenue tax



Source: PwC analysis

¹⁷http://ec.europa.eu/taxation_customs/business/vat/eu-vat-rules-topic/where-tax_en

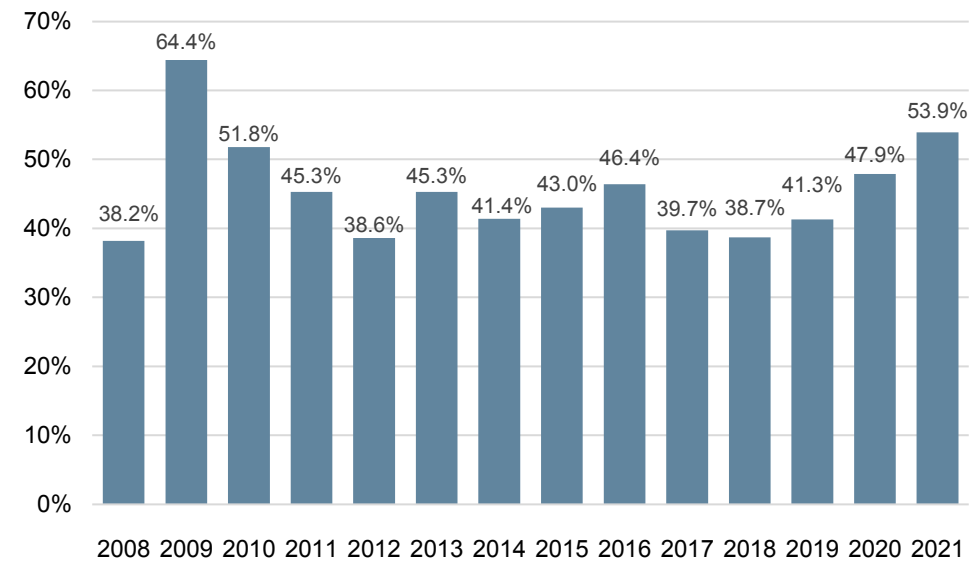
Total Tax Rate

The Total Tax Rate (TTR) is a measure of the cost of all taxes borne in relation to UK commercial profit. In 2021 the average TTR for the survey participants (53.9%) is at its highest rate since the financial crisis.

The average Total Tax Rate (TTR) for 100 Group members participating in the 2021 survey is 53.9%¹⁸ (figure 21). The TTR is a measure of the cost of taxes borne in relation to profit. It is calculated for total taxes borne (corporation tax plus all other taxes borne) as a percentage of profit before total taxes borne.

The TTR peaked in 2009 when profits fell at the height of the recession and then declined as the economy and profitability recovered. In 2021, the TTR increased by 6.0 percentage points, as profits have fallen at a greater rate than taxes borne, as a result of the COVID-19 pandemic.

Figure 21 – Total Tax Rate, 2008-2021



Source: PwC analysis

¹⁸ TTR overall average is 91.4% and the median is 43.9%

Trend in Total Tax Contribution between 2020 and 2021

Both taxes borne and taxes collected by the 100 Group decreased by 7.8% in the 2021 survey.

89 companies provided data for both 2020 and 2021 surveys allowing us to analyse the trends on a like-for-like basis for these companies. Figure 22 shows the trend in TTC from 2020 to 2021, and the components of the total decrease comprising taxes borne and taxes collected.

Figure 22 – Trend in Total Tax Contribution, 2020 - 2021

Total tax contribution	Individual trend	Trend as % of total ¹⁹
Taxes borne	-7.8%	-2.5%
Taxes collected	-7.8%	-5.3%
Total tax contribution	-7.8%	-7.8%

Source: PwC analysis. Note: Figure 22 shows the overall TTC trend and the trends in taxes borne and taxes collected as a share of the total.

Taxes borne decreased by 7.8%, with business rates, irrecoverable VAT and corporation tax the main drivers (figure 23). Business rates accounted for 3.4 percentage points of the total decrease in taxes borne, as a consequence of the business rates relief introduced by the government for retail, hospitality and leisure businesses in response to the coronavirus pandemic. The decrease in irrecoverable VAT (2.3 percentage points of the total) was a result of reductions in expenditure in the banking sector, partially attributable to the crisis. Corporation tax accounted for 1.5 percentage points of the total decrease in taxes borne, as a result of a 53.6% decrease in profits.

Figure 23 – Trend in taxes borne, 2020 – 2021

Tax borne	Trend as % of total taxes borne ²⁰
Business rates	-3.4%
Irrecoverable VAT	-2.3%
Corporation tax	-1.5%
Employer NIC	-0.4%
Other taxes borne	-0.2%
Bank levy	0.0%
Total taxes borne	-7.8%

Source: PwC analysis

¹⁹ Movement shown as a proportion of the decrease in total tax contribution

²⁰ Movement shown as a proportion of the decrease in taxes borne

Trend in Total Tax Contribution between 2020 and 2021

Both taxes borne and taxes collected by the 100 Group decreased by 7.8% in the 2021 survey.

Figure 24 shows a breakdown of the 7.8% decrease in taxes borne by sector (showing retail, banks, insurance, and leisure and hotels), splitting out the impact of corporation tax and other business taxes borne. The insurance sector was the only major sector for which taxes borne increased in 2021.

Figure 24 – Trend in taxes borne (highlighting specific sectors), 2020 – 2021

	All sectors	Retail	Banks	Insurance	Leisure and hotels	Other sectors
Corporation tax	-1.5%	-0.8%	-3.3%	3.4%	-0.2%	-0.6%
Other business taxes	-6.3%	-1.7%	-2.3%	0.1%	-1.0%	-1.4%
Total taxes borne	-7.8%	-2.5%	-5.6%	3.5%	-1.2%	-2.0%

Source: PwC analysis. Note: Of the 95 participating companies there are 8 retailers, 6 banks, 7 insurers and 5 leisure and hotels.

Taxes collected decreased by 7.8%, largely driven by fuel duties, partially offset by increases in tobacco and alcohol duties (figure 25). Fuel duties accounted for 7.8 percentage points of the total decrease in taxes collected, as a consequence of the significant drop in demand due to periods of national lockdown and travel restrictions. Net VAT (1.6 percentage points of the total) was the second largest driver, particularly for oil and gas and leisure and hospitality companies. While a decrease in wages and salaries in the year resulted in income tax deducted under PAYE (0.8 percentage points) and employee NICs (0.3 percentage points) also contributing to decreasing taxes collected.

Figure 25 – Trend in taxes collected, 2020 - 2021

Tax	Trend as % of total taxes collected
Fuel duties	-7.8%
Net VAT	-1.6%
Income tax deducted under PAYE	-0.8%
Employee NIC	-0.3%
Other taxes collected	-0.2%
Alcohol duties	0.8%
Tobacco duties	2.1%
Total taxes collected	-7.8%

Source: PwC analysis

The impact of other business taxes on different sectors

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

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

Figure 26 shows the trend in TTC from 2006 to 2021 for the five largest 100 Group industry sectors. The trend shows a marked decrease in contribution from the oil and gas sector, from over a third of the total in 2006 (34.7%) to just over 20% in 2021 (20.9%).

The contribution from the financial services sector, a quarter of the total in 2006, fell to below 20% in the aftermath of the financial crisis (19.6% in 2010). From 2016 the financial services share of TTC was again a quarter of the total, and in 2021 it reached its highest share since the survey began, at 28.0% of TTC.

The contribution from the retailers has fluctuated over the survey period, from a low of 6.2% in 2006 to a high of 14.5% in 2010. At 14.0% the retail share of TTC in 2021 is the highest since 2010.

Figure 27 shows the impact of corporation tax, employer NIC, business and cumulo rates, irrecoverable VAT and bank levy, on different sectors. For retailers, and telecoms and utilities, business rates make up 48.6% and 41.1% of their taxes borne respectively. For banks and insurers, irrecoverable VAT makes up 33.2% and 17.4% of their taxes borne respectively. Bank levy accounts for 23.6% of taxes borne for participating banks. For the oil and gas sector, 70.1% of their taxes borne contribution in 2021 comes from employer national insurance contributions.

Employer national insurance contributions

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

Business and cumulo rates

Business rates are paid on ownership of property based on the rateable value of the property and a specific multiplier. Cumulo rates are business rates paid on network assets (e.g. pipelines). See page 25 for further analysis.

Irrecoverable VAT

This is input VAT that is a cost to a business when related sales are exempt, as is the case for many transactions in the financial services sector. See page 27 for further analysis.

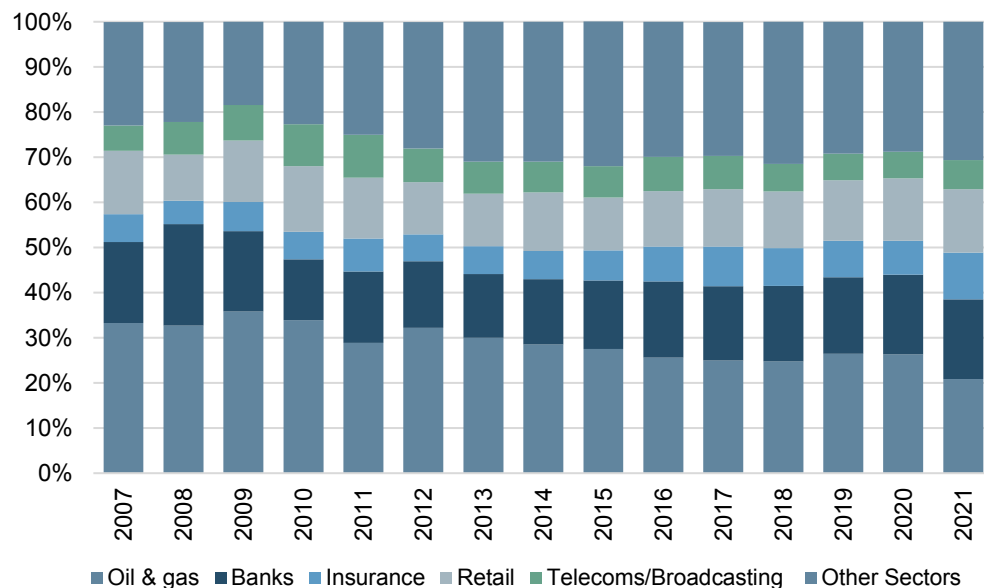
Bank levy

The bank levy, introduced in 2011, is an annual tax on the balance sheet equity and liabilities of banks. The rate reached its highest level (0.210% on short term and 0.105% on long term chargeable equity or liabilities) in 2015, and started to fall from January 2016. From 2021 onwards, 0.10% will be applied to short term chargeable equity and liabilities and 0.05% to long term chargeable equity and liabilities. See page 28 for further analysis.

The impact of other business taxes on different sectors

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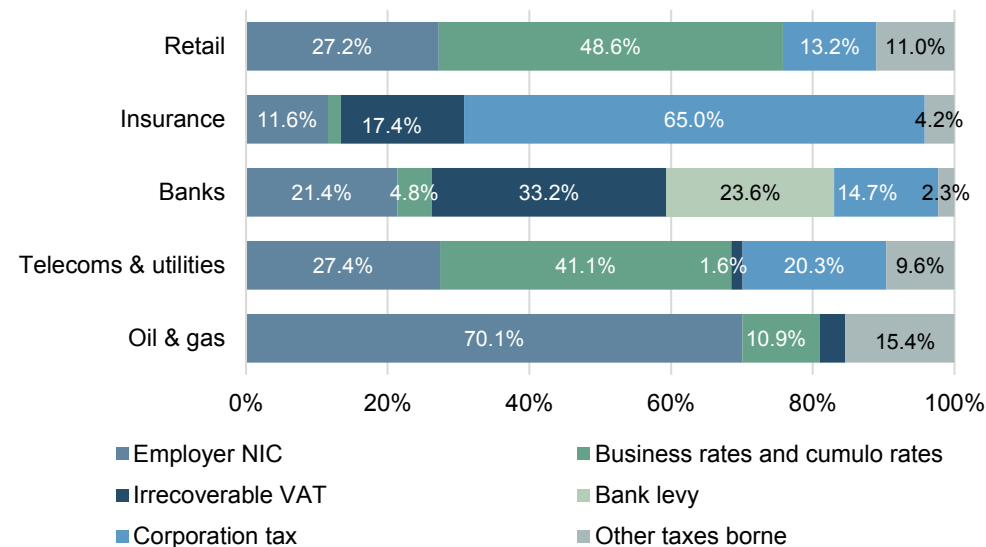
Figure 26 – Total tax contribution 2006-2021 by sector



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

Source: PwC analysis

Figure 27 – Sector taxes borne 2021



Source: PwC analysis

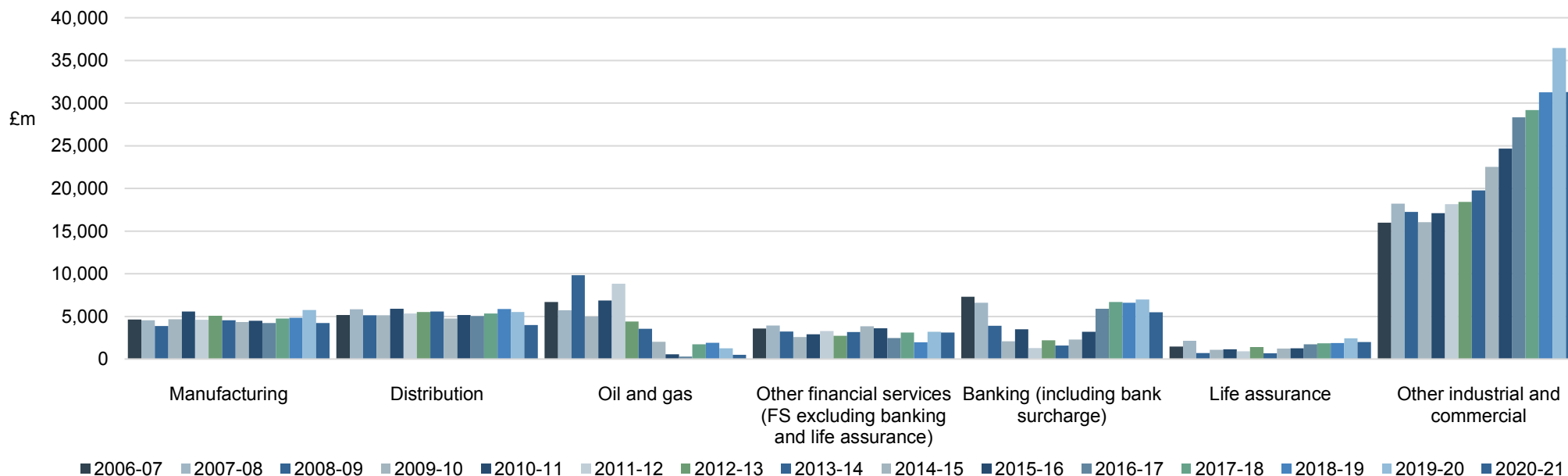
Corporation tax

In 2020/21, we estimate that the 100 Group members paid £6.6bn in corporation tax, representing 12.6% of total UK government corporation tax receipts. Corporation tax represents 27.0% of total taxes borne in the 2021 survey (figure 2). For every £1 of the corporation tax, the 100 Group companies paid another £2.68 in other taxes borne, and £7.81 in taxes collected.

The total corporation tax paid by 100 Group companies decreased in 2020/21 due to a significant drop in profitability as a result of the COVID-19 crisis. The decrease was partially offset by a change in the timing of quarterly instalments for the largest companies, introduced by HMRC from 1 April 2019²¹, which resulted in a greater number of corporation tax instalments being paid in the 2020/21 financial year.

Corporation tax decreased by 6.0%, on a like-for-like basis, compared to last year's report, primarily driven by the banks as profits decreased significantly due to provisions to cover potential losses during the crisis. Other sectors driving the trend included the retailers and leisure and hotels. Despite the decrease in corporation tax, with total government corporation tax receipts decreasing at a greater rate in 2020/21, extrapolated corporation tax payments for the 100 Group are 12.6% of total government corporation tax receipts, compared to 11.3% in last year's survey.

Figure 28 – Government receipts from corporation tax by sector, 2007 – 2021²²



Source: HMRC

²¹ HMRC Corporation Tax: instalment payments by very large companies

²² HMRC: <https://www.gov.uk/government/statistics/corporation-tax-statistics-2021>

Note: there is no government corporation tax data available for retailers.

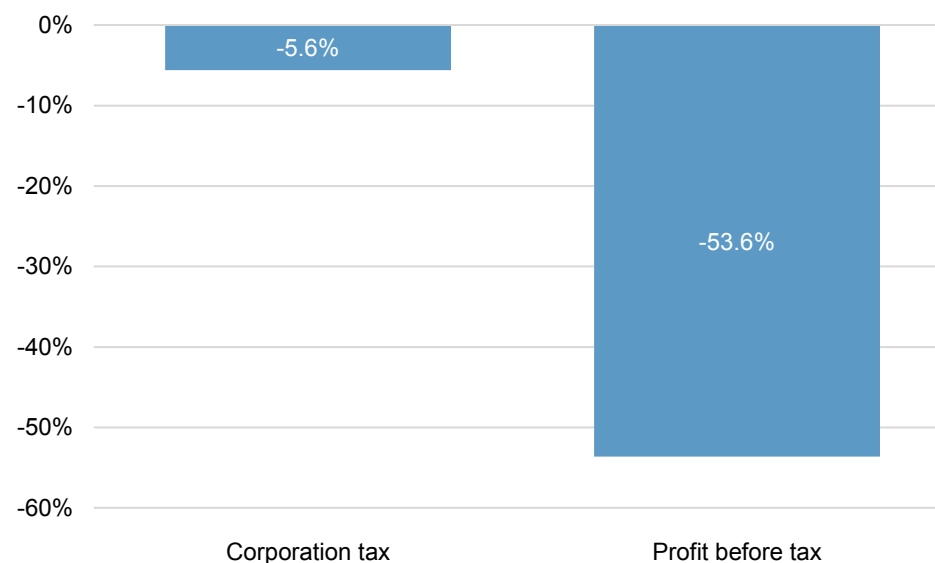
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In 2020/21, we estimate that the 100 Group members paid £6.6bn in corporation tax, representing 12.6% of total UK government corporation tax receipts. Corporation tax represents 27.0% of total taxes borne in the 2021 survey (figure 2). For every £1 of the corporation tax, the 100 Group companies paid another £2.68 in other taxes borne, and £7.81 in taxes collected.

Figure 29 compares the two-year trend in profits and corporation tax on a like-for-like basis, where companies provided both profit and corporation tax data for the 2020 and 2021 surveys. For these 83 companies, profits decreased by 53.6% overall, while corporation tax decreased by 5.6%.

Figure 28 shows the trend in government receipts from corporation tax by sector. It shows that corporation tax receipts decreased in 2020/21 for each of the sectors in the chart. On an economy level there was an 18.3% decrease in government corporation tax receipts in 2020/21.

Figure 29 – Movement of corporation tax and profit before tax on a like-for-like basis, 2020 – 2021



Source: PwC analysis, based on the overall average for companies providing both profit and corporation tax data for both 2020 and 2021 surveys.

Business rates

Business rates are the fourth largest tax borne for participating companies in 2020/21. They are charged on rateable property and are not linked to a company's profitability. Business rates impact heavily on the retailers in the survey, accounting for 48.6% of total taxes borne.

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

In 2020/21, survey participants paid a total of £3.9bn in business rates, representing 19.4% of the government's business rates receipts. At 12.7%, business rates are the fourth largest tax borne for participating companies in 2021.

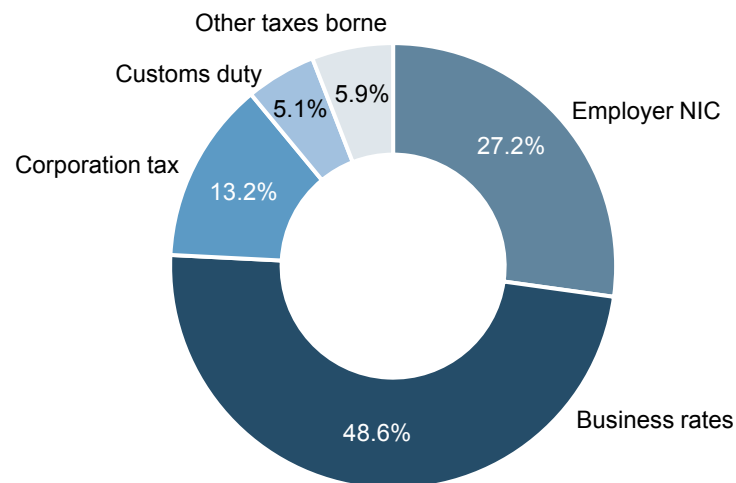
The total business rates paid by 100 Group companies decreased in 2020/21 due to the business rates relief introduced as part of the government support for the retail, leisure and hospitality sectors during the COVID-19 pandemic.

Despite the decrease in business rates in this year's study, the amount paid by the companies that have participated every year is 74% greater in 2021 than when the survey began in 2005. This is due to a combination of increasing multipliers and rateable property values, as well as the general growth in business property owned by participating companies over the survey period.

58.6% of all business rates paid by the 100 Group participants in 2020/21 were paid by retailers. On average, 48.6% of taxes borne by 100 Group retailers are business rates (figure 30).

Property taxes are a particular area of focus when it comes to the proposals to decentralise fiscal powers within the UK. Since 1990, business rates have been set by central government and revenues transferred back from local to central government. Since 2013, local government has been able to retain 50 per cent of business rates revenue. The policy aim is for local authorities to retain 100 per cent of revenue from business rates, along with some flexibility over setting the rates. There have been calls for reform to business rates and HM Treasury has recently called for evidence as it looks at the impact of the tax, particularly on retailers.

Figure 30 – Taxes borne by retailers on an average basis, 2020/21



Source: PwC analysis

Business rates

Figure 31 – Business rates multipliers from 2005 to 2022

Financial year	England ²³	City of London ²⁴
2021/22	51.2	52.0
2020/21	51.2	52.0
2019/20	50.4	51.0
2018/19	49.3	49.8
2017/18**	47.9	48.4
2016/17	49.7	50.2
2015/16	49.3	49.7
2014/15	48.2	48.6
2013/14	47.1	47.5
2012/13	45.8	46.2
2011/12	43.3	43.7
2010/11**	41.4	41.8
2009/10	48.5	48.9
2008/09	46.2	46.6
2007/08	44.4	44.8
2006/07	43.3	43.7
2005/06**	42.2	42.5

** indicates a revaluation year

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

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

Irrecoverable VAT

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

Irrecoverable VAT was the third largest tax payment for the study participants accounting for 14.5% of total taxes borne. Irrecoverable VAT arises when input VAT is incurred by a VAT business that makes exempt supplies. When a business supplies goods and services it generally charges VAT and offsets any VAT it has incurred on purchases used to run the business (input VAT). Where a company's products or services are exempt, VAT is not charged to customers and the company cannot recover its input VAT. This input VAT is known as irrecoverable VAT.

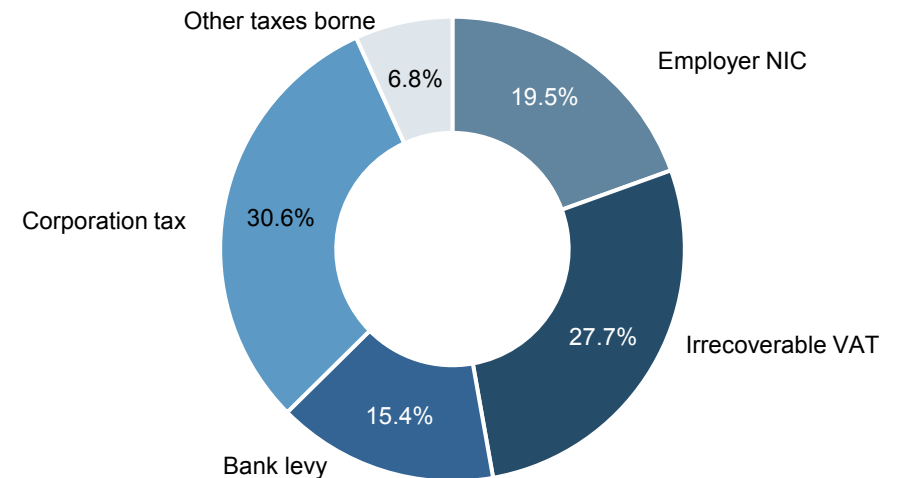
Survey participants paid a total of £3.4bn in irrecoverable VAT. Of this total, financial services companies paid £3.0bn. On average, it accounts for 27.7% of taxes borne by financial services companies that participated in this year's survey (figure 32).

In 2021, irrecoverable VAT decreased for the financial services companies, reflecting a decrease in input tax due to reductions in expenditure. This was partly driven by cost saving measures undertaken by banks as a result of the COVID-19 pandemic, alongside ongoing restructuring across the sector.

Despite the decrease in irrecoverable VAT in this year's study, the amount paid by the companies that have participated every year is 90% greater in 2021 than when the survey began in 2005. The increase in irrecoverable VAT is partly driven by legislative changes – the rate of VAT increased in 2010 from 15.0% to 17.5% and again in 2011 to 20.0%.

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

Figure 32 – Taxes borne by financial services companies on an average basis, 2020/21



Source: PwC analysis

Bank levy

The banking sector is, by definition, the only sector that bears the bank levy. In 2020/21 it is the second largest tax borne by the banks in the survey, after irrecoverable VAT.

The bank levy, introduced in 2011, is an annual tax on the balance sheet equity and liabilities of banks. The rate of the levy increased every year up until 2015, in an attempt to meet the dual objectives of encouraging the banking sector to move towards more stable sources of funding and of raising a set amount of revenue²⁵. From January 2016 the rates decreased each calendar year following the introduction of the bank surcharge. The government's stated intention was to balance the burden on the banking sector between a balance sheet and a profits-based tax²⁶.

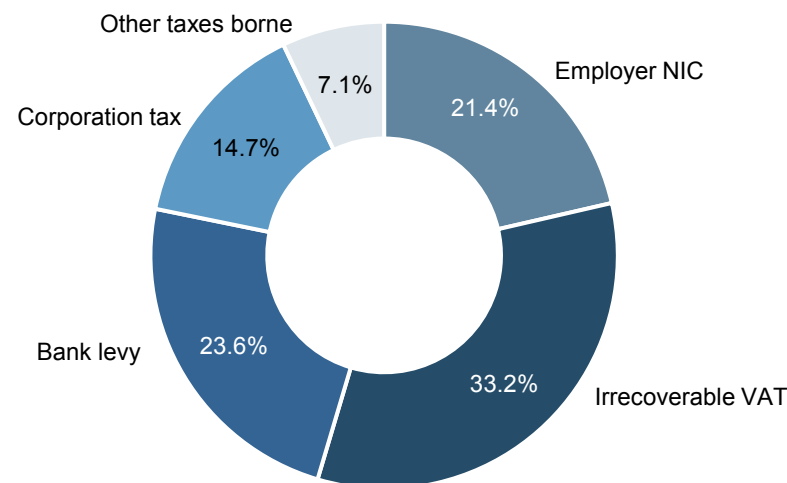
From 2021 onwards, 0.10% will be applied to short term chargeable equity and liabilities and 0.05% to long term chargeable equity and liabilities (figure 34). Since its introduction, the levy applied to the global consolidated balance sheet of UK headquartered banks, but only to the UK balance sheet of a foreign headquartered bank. However, from 1 January 2021, the bank levy scope was reduced to apply to the UK balance sheet for all banks. Alongside the annual reduction in levy rates, this change is likely to result in a decrease in the bank levy paid in the 2022 survey.

In 2020/21, the government received £2.3bn in bank levy from the banking sector²⁷. Banks participating in this year's survey paid bank levy of £1.7bn, representing 71.5% of the government's total bank levy receipts. This total makes up 7.2% of the total taxes borne by the 100 Group (figure 3 – taxes borne by percentage in 2020/21) – the fifth largest tax borne.

Survey data shows that the bank levy has decreased by 0.3% since 2020, on a like-for-like basis. The trends are dependent on changes to the levy rates as well as the underlying equity or liability values.

The banking sector is the only industry subject to this levy. As shown in figure 33, banks pay, on average, 23.6% of their taxes borne in bank levy.

Figure 33 – Taxes borne by banks on an average basis, 2020/21



Source: PwC analysis

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

²⁶ www.gov.uk/government/uploads/system/uploads/attachment_data/file/470307/TIIN_Bank_Profits_Surcharge.pdf

²⁷ PAYE and Corporate Tax receipts from the banking sector: 2021, <https://www.gov.uk/government/statistics/payee-and-corporate-tax-receipts-from-the-banking-sector-2021>

Bank levy

Figure 34 – Changes in the rate of bank levy²⁸

Financial year	Charge on short term equity or liabilities	Charge on long term equity or liabilities	Change in the short term rate of bank levy percentage points (base year 2011)	Change in the long term rate of bank levy percentage points (base year 2011)
2011	0.075%	0.038%	0.000	0.000
2012	0.088%	0.044%	0.013	0.006
2013	0.130%	0.065%	0.055	0.027
2014	0.156%	0.078%	0.081	0.040
2015	0.210%	0.105%	0.135	0.067
2016	0.180%	0.090%	0.105	0.052
2017	0.170%	0.085%	0.095	0.047
2018	0.160%	0.080%	0.085	0.042
2019	0.150%	0.075%	0.075	0.037
2020	0.140%	0.070%	0.065	0.032
2021	0.100%	0.050%	0.025	0.012

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

Looking forward

The economic impact of the coronavirus pandemic was considerable and we can expect to continue to see the effects in next year's survey, covering financial periods in the year to 31 March 2022. Future surveys will also include the impact of legislative changes announced in 2021, intended to stimulate business investment and repair the public finances in the coming years.

Looking ahead to next year's survey, we expect to see the tax contribution from the 100 Group increase, but it is likely to remain below the pre-pandemic level. While the economy improved as lockdown and restrictions were eased during the first half of 2021, it remains below its pre-pandemic level and the survey period will include several months of lockdown restrictions for the majority of companies in the survey.

Another factor that we expect to have an impact on next year's survey is the adjustment to the scope of the bank levy. Since its introduction in 2011, the levy has applied to the global consolidated balance sheet of UK headquartered banks, but only to the UK balance sheet of a foreign headquartered bank. From 1 January 2021, the bank levy scope is limited to the UK balance sheet for all banks. Alongside the annual reduction in levy rates, this change is likely to result in a decrease in the bank levy paid in the 2022 survey.

While tax rises have been delayed until the recovery has been secured, we expect to see some impact in next year's survey from the 'Super Deduction' announced in the March 2021 Budget, which allows companies to deduct 130% of qualifying capital investment from 1 April 2021 until 31 March 2023, with the intention to stimulate an investment-led recovery.

The tax rises announced this year will have an impact on the survey results from the 2023 report. The 1.25 percentage point increase to employer and employee national insurance contributions comes into effect from April 2022, and the increase in corporation tax from 19% to 25% takes effect in April 2023.

It will be interesting to see how the economic recovery and legislative changes impact the tax and wider contribution of the largest UK businesses in the coming years.

How companies use their TTC data

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

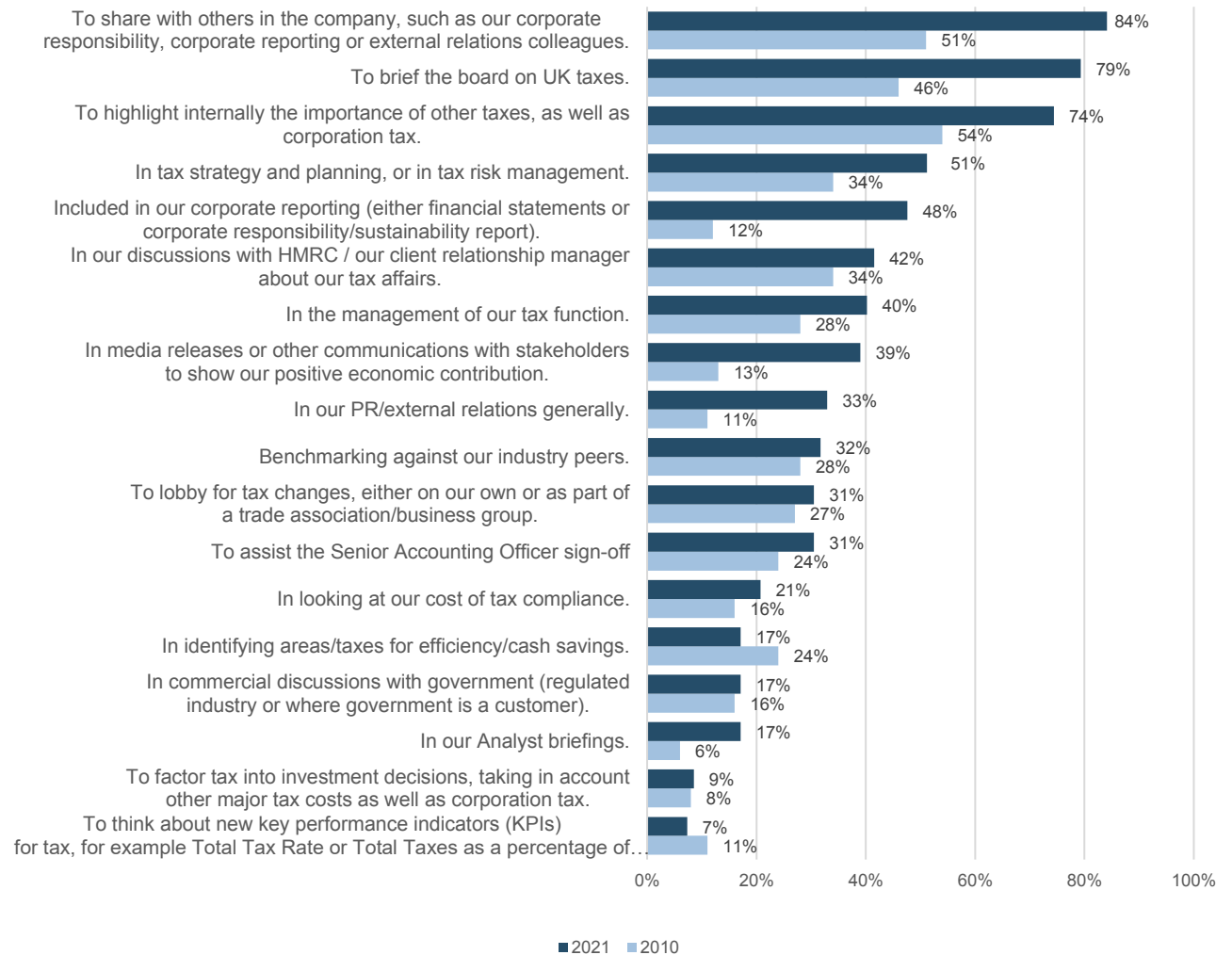
The survey asked participants how they use their TTC data. Figure 35 displays the responses provided in 2021.

- 84% of companies use their TTC data to share with others in the company, such as their corporate responsibility, corporate reporting or external relations colleagues.
- 79% of companies use their TTC data to brief the board on UK taxes.
- 48% of companies use their TTC data in corporate reporting, either in financial statements or corporate responsibility/sustainability reports.

The use of TTC data falls into three broad categories: for internal communications, for external communications and for internal management. While the most popular use of TTC continues to be for internal communication, both in 2010 and 2021, use of TTC data in corporate reporting (either financial statements or corporate responsibility/sustainability report) has increased by 36 percentage points since 2010.

This year, we also saw increases in the number of companies using their TTC data in the management of their tax function (40%) and in tax strategy and planning, or in tax risk management (51%).

Figure 35 – How companies use their TTC data



Source: PwC analysis

Participation in the 17th survey

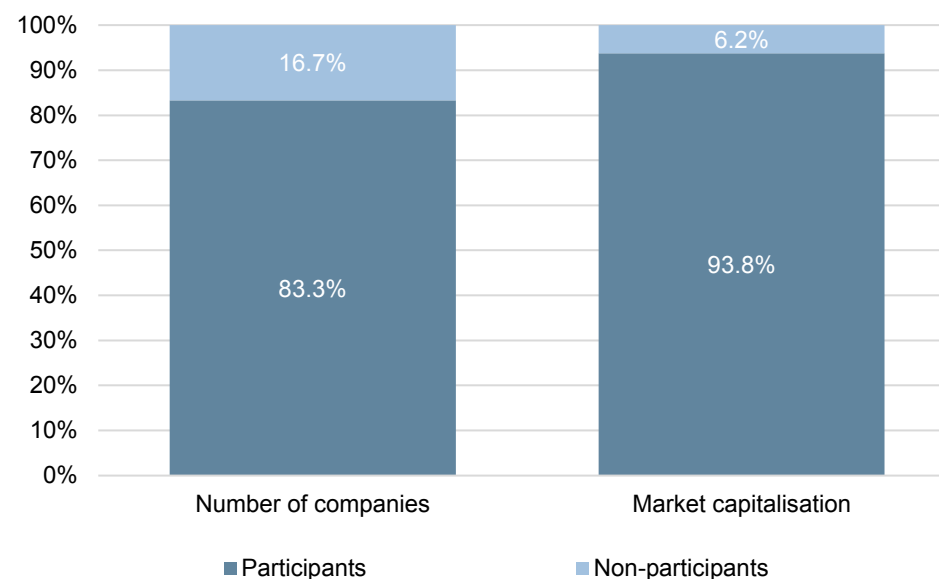
The survey continues to be well supported by the 100 Group – 95 companies provided data in 2021, representing 93.8% of market capitalisation (figure 36).

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

The 2021 survey is based on data collected from the 100 Group members for their accounting periods ending in the 12 months to 31 March 2021. 57% of participants have a December year end, 18% have a March year end and the remaining companies have other year ends spread throughout the survey period.

Many companies have indicated that they find the results useful for both internal and external communication. A full list of all companies invited to participate in the 2021 Total Tax Contribution survey is included in Appendix 1²⁹.

Figure 36 – 95 companies provided data for the 2021 survey



Source: PwC analysis

²⁹ This includes all companies that have contributed data in TTC surveys conducted for the 100 Group and are members or have been members.

Appendix 1 – List of companies invited to participate in the 2021 survey

- | | | | |
|--|---------------------------------------|----------------------------------|--------------------------------------|
| 1. 3i Group plc | 34. Direct Line Group | 67. Marks and Spencer Group plc | 100. Standard Life Aberdeen plc |
| 2. Admiral Group Plc | 35. Dixons Carphone plc | 68. Meggitt plc | 101. Taylor Wimpey plc |
| 3. Aggreko Plc | 36. DS Smith | 69. Merlin Entertainments plc | 102. Tesco plc |
| 4. Anglo American plc | 37. Entain plc | 70. Mitchells & Butlers plc | 103. The Berkeley Group Holdings plc |
| 5. Ashtead Group | 38. Experian plc | 71. National Grid plc | 104. The British Land Company plc |
| 6. Associated British Foods plc | 39. ExxonMobil | 72. Nationwide Building Society | 105. Travis Perkins plc |
| 7. AstraZeneca PLC | 40. FGP Topco Limited | 73. NatWest Group | 106. Tullow Oil plc |
| 8. Aveva Group | 41. G4S plc | 74. Next plc | 107. Unilever |
| 9. Aviva plc | 42. GlaxoSmithKline plc | 75. Ocado Group | 108. United Utilities Group plc |
| 10. B&M European Value Retail | 43. Greenergy Fuels Holdings Limited | 76. Pearson plc | 109. Vodafone Group plc |
| 11. Babcock International Group PLC | 44. Halma plc | 77. Pennon Group plc | 110. Weir Group |
| 12. BAE Systems plc | 45. Hammerson plc | 78. Persimmon Group | 111. Wellcome Trust |
| 13. Balfour Beatty plc | 46. Hargreaves Lansdown | 79. Phoenix Group Holdings | 112. Whitbread plc |
| 14. Barclays Group | 47. Hiscox Ltd | 80. M&G (Prudential) | 113. Wm Morrison Supermarkets plc |
| 15. Barratt Developments plc | 48. HSBC Holdings plc | 81. Reckitt Benckiser plc | 114. Wolseley Limited (Ferguson) |
| 16. BHP | 49. IMI plc | 82. RELX plc | 115. WPP Group plc |
| 17. BP plc | 50. Imperial Brands plc | 83. Rentokil Initial | |
| 18. British Airways Group | 51. Informa plc | 84. Rightmove | |
| 19. British American Tobacco | 52. Inmarsat plc | 85. Rio Tinto plc | |
| 20. British Broadcasting Corporation | 53. InterContinental Hotels Group plc | 86. Rolls-Royce Holdings plc | |
| 21. BT GROUP | 54. Intermediate Capital Group | 87. Royal Dutch Shell plc | |
| 22. Bunzl plc | 55. Intertek Group plc | 88. Royal Mail plc | |
| 23. Bupa | 56. ITV plc | 89. RSA Insurance Group plc | |
| 24. Burberry Group plc | 57. J Sainsbury plc | 90. Sage Group | |
| 25. Cairn Energy plc | 58. John Lewis Partnership | 91. Schroders plc | |
| 26. Capita plc | 59. John Wood Group plc | 92. SEGRO plc | |
| 27. Centrica plc | 60. JD Sports Fashion | 93. Severn Trent Water Limited | |
| 28. Coca-Cola HBC Northern Ireland Limited | 61. Johnson Matthey plc | 94. Smith & Nephew plc | |
| 29. Compass Group plc | 62. Kingfisher plc | 95. Smiths Group plc | |
| 30. ConvaTec | 63. Land Securities Group plc | 96. Spirax-Sarco Engineering plc | |
| 31. Croda International Plc | 64. Legal & General | 97. SSE plc | |
| 32. Daily Mail and General Trust plc | 65. Lloyds Banking Group | 98. St James's Place plc | |
| 33. Diageo plc | 66. London Stock Exchange Group | 99. Standard Chartered plc | |

Appendix 2 – List of taxes borne and collected in the UK

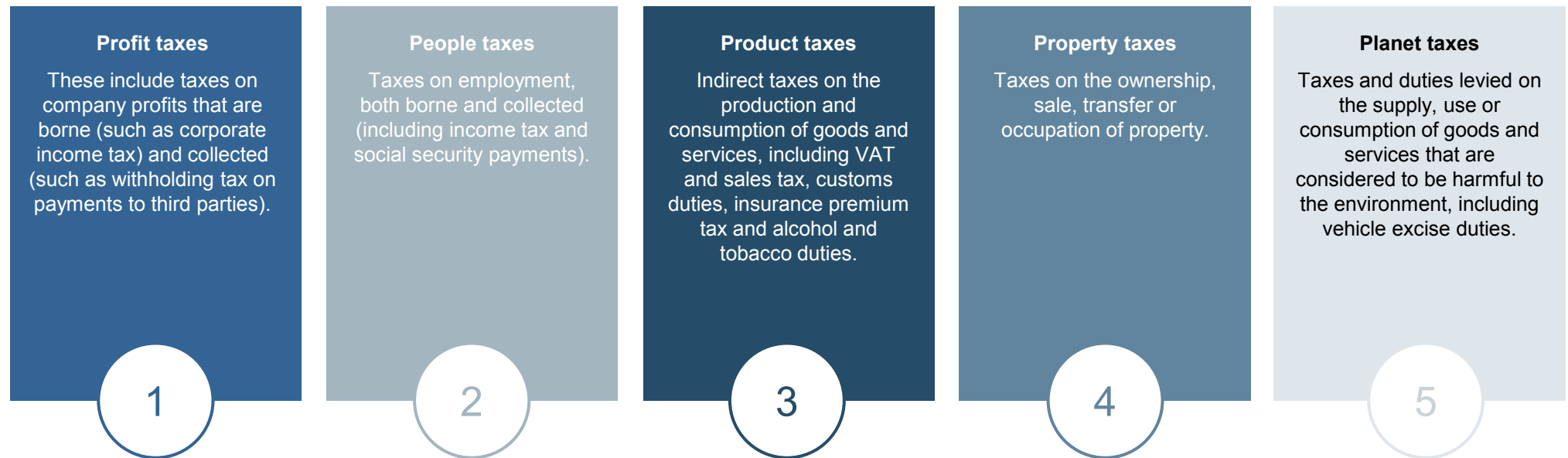
	Tax borne	Tax collected
Taxes on profits (profit taxes)		
Corporation tax	x	
Tax deducted at source		x
Petroleum revenue tax	x	
Betting and gaming duty	x	
Diverted profits tax	x	
Taxes on property (property taxes)		
Business rates and cumulo rates	x	
Stamp duty land tax	x	
Stamp duty	x	
Stamp duty reserve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

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

Appendix 2 – List of taxes borne and collected in the UK

The five tax bases

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



Appendix 3 – Taxes borne and collected by participants of the 2021 100 Group survey

Taxes borne	£ 2020/21
Taxes on profits (profit taxes)	
Corporation tax	6,259,903,186
Betting & gaming duty	356,153,966
Petroleum revenue tax	-144,291,212

Taxes borne	
Taxes on employment (people taxes)	
Employer NIC	6,155,740,719
Net apprenticeship levy	180,939,640
PAYE settlements	104,414,317

Taxes borne	
Taxes on property (property taxes)	
Business and cumulo rates	3,934,997,668
Bank levy	1,675,027,176
Stamp duty land tax	233,279,348
Stamp duty and stamp duty reserve tax	113,445,075

Taxes borne	
Taxes on consumption (product taxes)	
Irrecoverable VAT	3,358,300,761
Customs duty	316,791,124
Vehicle excise duty	100,261,439
Insurance premium tax	52,482,470
Air passenger duty	3,782,152

Taxes borne	£ 2020/21
Environmental taxes (planet taxes)	
Climate change levy and carbon price support	250,397,549
EU ETS	64,181,967
Landfill tax	7,899,318
Congestion charge	5,691,528
Aggregates levy	2,448,251
Carbon reduction commitment	157,307
Total tax borne	23,032,003,749

Appendix 3 – Taxes borne and collected by participants of the 2021 100 Group survey (cont'd)

Taxes collected	£ 2020/21
Taxes on profits (profit taxes)	
Tax deducted at source	2,630,315,770

Taxes collected	
Taxes on employment (people taxes)	
Income tax deducted under PAYE	11,431,389,297
Employee NIC	3,762,588,945

Taxes collected	
Taxes on property (property taxes)	
Stamp duty reserve tax	141,520,663

Taxes collected	
Taxes on consumption (product taxes)	
Net VAT	7,357,607,013
Tobacco duty	5,226,000,000
Alcohol duty	3,823,178,250
Insurance premium tax	1,852,011,340
Soft drinks industry levy	11,940,930
Customs duty	4,864,561
Air passenger duty	16,785

Taxes collected	£ 2020/21
Environmental taxes (planet taxes)	
Fuel duty	12,574,830,202
Climate change levy and carbon price support	102,337,934
EU ETS	336,114
Total tax collected	48,918,937,804

Appendix 4 – Key contacts

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