CORPORATION TAX STATISTICS
from the records of the Revenue Commissioners

NORMAN GILLANDERS

Legislation and Statistics Branch, Office of the Revenue Commissioners

(Read before the Society, 11 February 1993)

---

1. INTRODUCTION

1.1 The Administrative Setting

The Revenue Commissioners' head office is in Dublin Castle. Some of the staff there are engaged in typical head office functions such as personnel, accounting and computer systems. Others have overall responsibility for administration of the various taxes and duties. Finally, there is a small group of civil servants in a number of sections who have responsibility for advising Revenue's top management on all aspects of taxation policy. These budget and planning sections monitor the operation of existing tax law and suggest improvements where necessary. Part of this job involves making quite detailed estimates of the budgetary cost of, or yield from, changes in taxation policy. These sections obviously have close working links with the Department of Finance which has the primary policy-making rôle in the fiscal area.

The corporation tax statistics which are the subject of this paper are produced in the Legislation and Statistics section of the Revenue Commissioners' head office. The section has responsibility for planning and policy for income tax, corporation tax and capital gains tax. The statistics unit of Legislation and Statistics has a staff of 10.

1.2 Existing Databases

The statistics unit maintains a number of extensive databases. The most important of these has been the "Income distribution statistics" or "IDS". The IDS performs two functions.

First, it provides a historical record of the distribution of individuals' incomes and income tax reliefs across income ranges. A summary of the IDS is published each year in the statistical report of the Revenue Commissioners. The statistics are broken down by taxpayer group (PAYE or self-employed) and by marital status.

Second, the IDS is used to predict the tax revenue consequences of changes in income tax rates, bands, exemption limits and allowances for the forthcoming budgetary year.

1.3 The Emerging Need for Corporation Tax (CT) Statistics

The corporation tax statistics are the logical complement to the IDS and will eventually be used for the same purposes. At this stage, though, the emphasis is on the first usage outlined in Section 1.2 above - producing and publishing a reliable descriptive database of historical statistics on corporation tax. During the early 1980s the yield from corporation tax was relatively low by the standards of the OECD group of countries. Then, the yield began to rise as indicated in Table 1. In the context of the increasing revenues from CT it clearly became important to develop a reliable and comprehensive statistical database.

Table 1: Trend in CT Revenues, 1987 - 1992

Year	CT Yield £m	As % of total tax[1]	As % of GDP
1987	255.7	3.2	1.3
1988	335.0	3.8	1.5
1989	303.0	3.4	1.2
1990	474.9	5.0	1.8
1991	594.4	5.9	2.1
1992	738.7	6.8	2.5

[1] In this table "total tax" follows the definition used by the OECD in its "Revenue Statistics" series.

1.4 Some OECD Comparisons

It is interesting to note that this substantial increase in the CT yield has brought Ireland more into line with the rest of the developed world. The following table is drawn from the 1992 edition of the OECD's "Revenue Statistics".

Table 2: Irish Tax Revenues in the International Perspective

Each as % of total tax	1985		1990	
	Ireland	OECD average %	Ireland	OECD average %
Corporation tax	3.2	7.9	5.0	7.7
Income tax	31.3	30.6	31.9	30.1
VAT and excise duties	44.4	31.1	42.3	30.3
Total tax as % of GDP	38.0	37.2	37.2	38.8
Corporation tax as % of GDP	1.2	2.9	1.8	2.9

Full OECD figures are not available beyond 1990 but it is worth comparing the estimated Irish CT receipt as a percentage of GDP for 1992 (2.5%) with the OECD average for 1990 (2.9%).

2. THE TECHNICAL SETTING

Important policy decisions affecting corporation tax had in the past been taken in the absence of an integrated database. The statistics unit had to use tax collection statistics, tax district surveys and national accounts data as sources for CT estimates. Corporation tax was becoming much more significant from an Exchequer viewpoint. Developing CT statistics had always been seen as a high priority. However, up until 1991 all Revenue statistics were products of the main-frame computer system. The statistics were created by extensive and inflexible COBOL programs which had the added disadvantage of being difficult to maintain from year to year. Revenue had discovered, like other large computer users, that its computer system was excellent at driving large administrative processes but poor when it came to extracting useful information from these administrative records.

The rise in yield occurred for a number of reasons:

*   From 1988 onwards accelerated capital allowances were phased out.

*   Self-assessment for CT was introduced in 1989. This resulted in more timely tax payments.

*   There was an improvement in reported profitability. An analysis of 360 big payments in June and July 1990 showed an increase of £94 million in their tax

payments compared with the same period in 1989. The analysis was too cursory and superficial to be taken as definitive but suggested that 30 to 40 per cent. of the extra tax may have been due to increased profit- ability.

* Export sales relief (ESR) ended on 5 April, 1990. Former ESR companies are estimated to be paying at least £75m in CT in 1992.

* Companies operating in the international financial services centre have begun to pay substantial amounts of CT - payments in 1992 were about £78m.

A decision was taken to abandon the Revenue main-frame computer programs for income tax distribution statistics and tax revenue forecasting. Instead, from 1991 the entire income tax file (over 1 million cases) was to be taken from the Revenue main-frame on tape and read into a new Digital minicomputer (a DEC System 5500 using the "Unix" operating system) located in the statistics unit at Dublin Castle.

A new software product was introduced to provide statistics based on the raw data file. The product selected was "SAS" (version 6.07), a large database with extensive in-built reporting and querying facilities. SAS is also used in the CSO and in a few other government departments. Within the statistics unit, personal computers are linked to the DEC machine via a local area network giving each staff member access to the databases held in SAS.

It was immediately clear that, in this new technical set up, it was a far easier task to produce corporation tax statistics. The new technology was installed in October, 1991 and by the end of the year a first version of the CT statistics had been produced. Work on refining and correcting the CT statistics has continued since (as time permits) and the data are summarised in Section 4 of this paper.

3. THE BASIC DATA

3.1 The Source of the Data

The data incorporated in these statistics are taken from the "live" corporation tax file. That is the file used in the day-to-day administration of the corporation tax system. Tax inspectors use this file to make tax assessments. The collector-general's office uses the same file to record payments and repayments of CT. The information on the live computer system is taken from the corporation tax assessment form "CT1".

3.2 The General Shape of a CT Assessment

Somewhat simplified, a CT assessment has the following shape:

Table 3

Adjusted profits (trading profits plus depreciation).
Minus capital allowances, losses forward, miscellaneous reliefs
Equals trading profits for tax or "Net Case I" income

Plus net rental income
Plus other income (e.g., interest, capital gains)
Equals total income plus capital gains*

Minus deductions (e.g., current losses, group relief)
Equals net income chargeable

Multiplied by the tax rate
Equals gross tax due

Minus reliefs (e.g., manufacturing relief, double tax relief)
Equals tax less reliefs

Minus credits (e.g., for deposit interest retention tax)
Equals net tax payable or repayable.**

> *   The statistics follow tax law and practice by treating capital gains and all other income as distinct items labelled "Regrossed capital gains" and "Total Income". The distinction affects the tax liability.
> **   The full amount of tax paid by any company is this amount PLUS any advance corporation tax (ACT). In calculating the tax due on the return, relief is given for ACT already paid.

A full list of the data items captured from form CT1 can be seen in Table 5 below.

3.3 The Reference Period for the CT Statistics

Unlike income tax, there is no set tax year for corporation tax. CT is calculated by reference to a company's own accounting period. Payment of the tax falls due in two instalments. Preliminary tax is payable within seven months after the end of the company's accounting period. Preliminary tax must represent at least 90 per cent of the final tax liability. The final tax liability is not calculated until the tax return is sent in - within nine months after the end of the accounting period. At that stage a balancing payment (or repayment) is calculated which, of course, takes into account any preliminary tax already paid.

The initial CT data covered the first full year of self assessment for companies - that is, accounting periods ended between 1 October 1989 and 30 September 1990. This was done for two reasons - first as a test of the new CT programs in SAS and second to give a first view of CT distribution statistics as early as possible. The initial CT statistics were set up, tested and refined. When various problems had been identified and solved, a data set covering accounting periods ended between 1 April 1990 and 31 March 1991 was created. This is known as the "1990/91" data set. The reference period was selected for the sake of consistency with the income tax distribution statistics. The results presented in this paper are from the 1990/91 CT data set.

3.4 Maturity of the File

The legally permitted gap between the end of an accounting period and the submission of a return is nine months. Because of this it is necessary to wait at least nine months after the latest date being included before creating the CT statistics. So, the 1990/91 CT statistics were created from the live Revenue corporation tax file on 20 March 1992. The following table gives some idea of the dimensions of the underlying database.

Table 4:   **Number of Cases on the Live File and Number Taken Into the 1990/91 CT Statistics**

Cases on "live" file . . . . approx.	60,000
Returns taken into CT stats	35,450
Of which;	
Cases with some income or gains	22,511
Cases with no total income and no capital gains	12,939
Cases with CT payments only	16,687
Cases with ACT payments* only	334
Cases paying CT and ACT	1,831
Cases with no payments	16,598

*   Advance corporation tax (ACT) is payable within six months of the end of an accounting period. It must be paid whenever a company pays a dividend. ACT must equal the income tax credit attaching to the dividend.

The CT statistics presented in Section 4 below are simply a distribution of the tax return data for the 35,450 cases across ranges of "net Case I" income.

3.5 A Note on the Main Income Concepts Used

The two main income concepts featured in this paper are "adjusted profits" and "net Case I" income. The two are related. Adjusted profits are the trading profits from the accounts,

plus expenses not allowable for tax, plus accounting depreciation. In essence, net Case I is adjusted profits minus tax depreciation. The statistics are classified by ranges of net Case I for the reasons outlined in Section 4.4 below.

3.6 60,000 Cases, 35,000 Returns

It is now clear that the Revenue Commissioners' live file may contain a large number of companies which are no longer active having ceased to trade. At present, the records are being examined to quantify the number of these companies. They should account for a substantial part of the gap between the 60,000 cases on record and the 35,450 returns received.[1] The remainder of the gap is accounted for by cases which have no liability to corporation tax. These cases, having no tax liability, are effectively immune from penalties such as the surcharge of 10 per cent on late returns. To get around this problem, Section 55 of the Finance Act, 1992 provides an incentive for non-compliant companies to comply with their statutory obligations in making returns. The section makes full and prompt entitlement to certain reliefs contingent upon claiming them by means of a timely return. The success of this measure will be evident in future CT statistics.

4. THE MAIN FEATURES OF THE CT STATISTICS

The simplest way to look at these statistics is to put values on the main aggregates as summarised in Table 3. The following table does this but in greater detail than indicated in Table 3. Table 5 shows all the items on the corporation tax return form CT1 and their aggregate values as contained on 35,450 returns.

It should be noted that where a computation on the tax return produces a negative value for net Case I, net income chargeable or tax less reliefs, the corporation tax calculation continues as if the previously calculated value was nil. In other words, a negative result in the calculation of these variables is reset to zero in the live computer program. This accounts for the fact that subtraction in Table 5 sometimes does not appear to give the results shown. For example, deduction of £2,457.9 million in capital allowances etc. from the adjusted profits plus balancing charges total of £5,550.4 million gives an apparent sum of £3,092.5 million for net Case I - in fact, the net Case I figure is £3,593.2 million. Companies are not always able to absorb the full amount of allowances and reliefs available.

Table 5 follows the shape of the corporation tax assessment in detail and could be regarded as an aggregate tax assessment for the entire Irish corporate sector for accounting periods ended in 1990/91. Table 5 is comprehensive apart from the exclusion of one very minor

income item which is added to adjusted profits on the form CT1 but for which eight companies had just £16,000 of income in 1990/91.

So, the statistics essentially capture ALL data items from form CT1. Items which appear in the companies' accounts and which would be of interest in the context of these statistics (e.g., expenses in the accounts such as business interest) cannot be included in the statistics since they are not captured on the Revenue computer record at present. See, however, Section 5 below.

Table 5: Analysis of Returns for Accounting Periods ended in 1990/91*

		£m
	Adjusted profits	5,513.0
Plus	Balancing changes	37.4
Minus	Capital allowances (Machinery)	1,420.1
Minus	Capital allowances (Buildings)	209.6
Minus	Miscellaneous reliefs	270.8
Minus	Losses forward	557.4
Equals A.	"Net Case 1" income	3,593.2
	Rental Income	66.2
Plus	Rental balancing charges	3.2
Minus	Capital allowances (Rental)	13.0
Minus	Losses (Rental)	12.7
Equals B.	Net rental income ("Net Case V")	61.0
	Interest	174.1
Plus	Taxed interest	112.6
Plus	Foreign income	41.2
Plus	Other taxed income	3.4
Plus	Other untaxed income	36.5
Plus	Franked investment income	9.0
Plus	Regrossed capital gains	69.5
Equals C.	Other income and capital gains	446.3

Table 5 (continued

D.	Total income and gains	4,100.5	(A.+B.+C.)
	Losses	179.0	
Plus	Management expenses	197.8	
Plus	Excess capital allowances	11.6	
Plus	Charges	129.6	
Plus	Group relief	195.8	
Equals	Total deductions from income	551.1	
Plus	Residual deductions from gains	9.4	
Equals E.	Overall total deductions	560.5	
F.	Net income/gains charged to tax	3,540.0	(D.E.)
	(Of which:		
	net income charged	3,479.9	
	net gains charged	60.1	
G.	Tax rate	43%	
H.	Gross tax due	1,522.2	(F.xG.)
	Manufacturing relief	688.5	
Plus	Export Sales relief	202.0	
Plus	Double tax relief	15.7	
Plus	Other tax reliefs	23.4	
Plus	Advance corporation tax**	85.3	
Equals I.	Total reliefs	1,014.9	
J.	Tax less reliefs	517.1	(H.-1.)
	Credit for fees withholding tax	4.9	
Plus	Income tax credits	38.2	
Plus	Investment income credits	1.8	
Equals K.	Total credits	44.9	

Table 5 (continued)

L.	Tax payable	472.2	(J.-K.)
	(Of which:		
	positive payments	487.6	
	repayment cases	-15.4	

M.	Advance CT already paid	85.3

N.	Total payments	557.5	(L.+M.)
	(Of which:		
	positive payments	572.9	
	repayments cases	-15.4	

*   The arithmetic outcome of the calcualtions in this table is not always the result shown. This is because some companies have allowances or reliefs in excess of their income or tax liability. See Page 99.

**   Relief is given for advance corporation tax which, if due, must be paid before the main CT return is made.

4.1   Effective Tax Rates

The main point evident from Table 5 is that the overall average tax liability is about 10 per cent of adjusted profits or almost 16 per cent of net Case I income. Summarising the table in the form of an index shows this more clearly. This is done in Table 6 taking adjusted profits as 100.

Table 6

Adjusted profits	100
Net Case I	65
Total Income and Gains	74
Gross Tax due	28
Tax less reliefs	9
Tax payable on the forms CT1	9
Tax plus ACT	10

For the corporate sector as a whole the effective tax rate on adjusted profits is about 10 per cent. Of course, the overall effective tax rate is dragged down by the large number of cases which have no tax liability. Excluding non-liable cases increases the effective rate to 13 per cent.

Querying the underlying database indicates an effective tax rate of just under 9 per cent on adjusted profits for all cases claiming manufacturing relief.

Figures for the UK for 1990[2] indicate that tax is about 19.8 per cent of "Gross Case I Profits" which is analogous to adjusted profits in the Irish statistics. This is significantly higher than the Irish figure and is reflected in the OECD Revenue statistics which show UK corporation tax as 4.0 per cent of GDP for 1990 compared to the OECD average of 2.9 per cent or the estimated Irish figure of 2.5 per cent for 1992.

Some of the key features of Table 5 are explored further in Tables 7 to 11 below where they are distributed by ranges of net Case I income. Table 10 for example shows the distribution of the effective tax rate across the income ranges. It is lowest in the bottom and top ranges at 6 per cent and 8 per cent respectively and peaks, at 22 per cent, in the range £25,001-£50,000. The low effective rate in the top range is attributable to the concentration of manufacturing relief and export sales relief in that range. The effective rates presented in this paragraph are expressed as percentages of adjusted profits purely for illustration. It would be a simple matter to use the data in Tables 7 and 8 to calculate effective tax rates on net Case I or on total income.

Effective tax rates across ranges of net Case I income are shown graphically in Appendix 1 to this paper for both adjusted profits and net Case I.

4.2 A Comment on Capital Allowances

The volume of capital allowances and related reliefs standing at 44 per cent of adjusted profits is another significant feature of Table 5. As a result of seeing the CT distributional data the estimate of the cost of corporate capital allowances was revised from £162 million to £254 million for 1988/89. This revised information has already been made public in the form of replies to parliamentary questions.

4.3 Table 5 Distributed by Income Ranges

A full distribution of each line in Table 5 by range of net Case I income is available from the statistics unit of the Legislation and Statistics section at Dublin Castle. A digest of the full distribution is contained in Tables 7 and 8 below.

4.4 Income Classifier Used in the Distributional Statistics

Tables 7 and 8 show the main features of the statistics for 1990/91. Table 7 shows the distribution of some of the main income concepts and tax payments by ranges of net Case

I income. Table 8 distributes the main tax allowances, reliefs and credits. The classifier, net Case I income, was chosen for a number of reasons.

It is as close as one can get in the CT system to the net trading profits of companies. Net Case I is a more realistic reflection of the taxable capacity of a company than the obvious alternative, adjusted profits. Capital allowances are an economically valid deduction from income and are treated as such throughout the developed world. Classifying the data by net Case I income takes account of this fact. In 1990/91 accelerated capital allowances were being phased out and as this process continues it will increasingly erode the gap between net Case I income and net trading profits as shown in a company's accounts.

However, it would be a simple task to produce the data using an alternative classifier. If there is a demand for such a presentation when the statistics are eventually published in the Revenue Commissioners' statistics report for 1992, tables based on alternative classifiers such as adjusted profits or total corporate income could be included in subsequent reports.

4.5 Income Ranges

The ranges of net Case I presented in Tables 7 to 11 were selected at the design stage of the system. It was hoped to show the data in a meaningful way by having narrow ranges where the companies are most numerous and wider ranges as the population begins to thin out. On this basis, the ranges are satisfactory. It would be a simple matter to vary the ranges. If there was sufficient demand, other approaches could be taken - for example, it should be possible to distribute the data by deciles.

4.6 Two Corporation Tax Systems?

An evident feature of these tables is the dual nature of our corporation tax system. In Table 7 (and also in Table 9) it can be seen that companies in the three lowest ranges of income account for 83 per cent numerically of all companies with adjusted profits. These same ranges account for only 17 per cent of total payments of ACT and CT.

Contrast this with the situation in the top three income ranges where we find 2.5 per cent of companies with adjusted profits but 57 per cent of the total tax payments. In a paper[3] delivered to the Foundation for Fiscal Studies in November 1989, Revenue Commissioner Frank Cassells stated that many Irish corporations

> "... are no more than one-man companies whose activities are indistinguishable from their self-employed neighbours and competitors."

It is likely that these are the companies which are so numerous in the lower income ranges.

By way of contrast, an examination on the database of the names of companies in the top range shows a preponderance of manufacturing multinationals as well as some Irish public companies and IFSC[4] companies. The fact that the CT yield is heavily concentrated in a small number of cases in the top ranges was well known to the staff in the collector-general's office but this is the first time that it has been possible to quantify exactly the degree of concentration.

Tables 9, 10 and 11 illustrate some of the key variables from Tables 7 and 8 in percentage terms and highlight some of the findings mentioned above. Table 9 shows each range's percentage share of adjusted profits, net Case I, total income, gross tax due and total tax payments. Table 10 shows these variables as a percentage of adjusted profits within each range. Table 11 shows the percentage share of each range in the total amount of capital allowances, losses forward and manufacturing relief.

An interesting feature of the statistics is revealed in a comparison of each range's percentage share of gross tax due and of total payments. As Table 9 shows there is a tendency in all but the top three income brackets for the share of total payments to exceed the share of gross tax due. In the upper ranges this is reversed. For example, the top range has 40 per cent of the gross tax due but only 27 per cent of total payments. This is due to the concentration of manufacturing relief in the top range; as shown in Table 11 almost 43 per cent of manufacturing relief is located there. These companies also claim 68 per cent of export sales relief (ESR). Export sales relief will not feature in future CT statistics since it will not arise for accounting periods ended after 5 April, 1990. (This fact explains why the amount of ESR shown in the statistics at £202 million is much lower than the estimates of about £800 million per annum previously published in the Revenue Commissioners' Reports and answers to parliamentary questions. For example, a company with a 31 December 1990 accounting date would be entitled to ESR on eligible profits up to 5 April. For the remainder of the financial year the company would be taxed under normal rules. Of course, ESR companies will switch to manufacturing relief after the end of ESR and the cost of manufacturing relief will rise in the next run of CT statistics as the residual ESR vanishes.)

CORPORATION TAX STATISTICS, 1990/91

Table 7 - Distribution of Incomes and Tax

Range of Net Case I Income		Adjusted profits	Net Case I	Net Case V (Rent)	Total Income	Capital Gains	Net inc. Charged to tax	Gross tax due	ACT paid	Main CT paid	Total payments (ACT+CT)	Repayments
Negative or Nil	No.	5,401	20,138	1,865	7,121	317	4,709	4,832	385	4,329	4,476	2,169
	Amnt. (£m)	832.2	-	47.5	310.9	50.2	113.0	66.3	8.8	43.4	52.2	11.7
£1- £25,000	No.	9,753	9,972	471	9,972	66	9,588	9,597	525	9,248	9,345	345
	Amnt. (£m)	163.4	70.0	4.0	87.9	2.8	79.3	35.2	1.0	25.9	26.9	0.9
£25,001- £50,000	No.	1,761	1,775	149	1,775	18	1,713	1,714	296	1,671	1,696	40
	Amnt. (£m)	89.1	63.5	1.2	70.2	0.3	65.5	28.3	1.0	18.2	19.2	0.1
£50,001- £75,000	No.	732	742	66	742	6	711	712	168	687	698	21
	Amnt. (£m)	62.0	45.1	0.5	50.5	1.0	46.0	20.2	0.7	11.8	12.5	0.2
£75,001- £100,000	No.	463	469	55	469	10	448	448	100	442	444	11
	Amnt. (£m)	54.8	40.6	0.4	44.4	0.2	40.2	17.4	0.4	10.4	10.8	0.2
£100,001- £200,000	No.	866	873	87	873	18	824	826	229	804	817	24
	Amnt. (£m)	185.3	123.1	1.0	133.4	8.2	119.5	54.9	1.6	30.6	32.2	0.1
£200,001- £300,000	No.	351	351	44	351	6	339	339	113	331	337	9
	Amnt. (£m)	145.1	86.5	1.4	93.1	3.5	83.3	37.3	1.0	18.6	19.6	0.1
£300,001- £400,000	No.	177	177	18	177	1	170	170	48	162	167	5
	Amnt. (£m)	83.5	61.3	0.3	64.3	0.5	58.7	25.5	1.1	13.1	14.2	Neg.[1]
£400,001- £500,000	No.	140	140	17	140	2	131	131	45	125	127	6
	Amnt. (£m)	81.0	52.9	0.2	66.6	0.1	56.3	24.3	0.8	11.0	11.8	0.1
£500,001- £600,000	No.	93	94	17	94	1	87	87	28	79	83	7
	Amnt. (£m)	60.0	51.4	0.2	54.2	2.4	47.7	21.5	1.5	10.4	11.9	0.1
£600,001- £700,000	No.	82	82	11	82	5	74	76	24	73	74	6
	Amnt. (£m)	64.1	53.1	0.2	55.8	0.1	48.9	21.0	0.5	10.5	11.0	Neg.
£700,001- £800,000	No.	51	51	4	51	-	44	44	18	38	41	7
	Amnt. (£m)	49.1	38.4	0.1	39.9	-	32.0	13.8	0.9	4.0	4.9	0.1
£800,001- £900,000	No.	58	58	9	58	-	53	53	16	50	51	2
	Amnt. (£m)	91.3	49.6	0.2	51.6	-	44.0	18.9	1.0	7.6	8.6	Neg.
£900,001- £1,000,000	No.	38	38	4	38	1	37	37	11	35	37	2
	Amnt. (£m)	44.6	36.1	0.1	37.3	Neg.	32.9	14.1	1.2	5.1	6.3	0.8
£1,000,001- £5,000,000	No.	365	365	47	365	7	347	347	122	328	338	13
	Amnt. (£m)	986.1	781.1	3.5	818.8	0.2	724.2	311.5	12.0	93.9	105.9	0.2
£5,000,001- £10,000,000	No.	73	73	7	73	1	72	72	20	69	71	1
	Amnt. (£m)	552.6	509.6	0.1	513.4	Neg.	473.7	203.7	5.7	63.1	68.8	Neg.
Over £10,000,000	No.	52	52	9	52	-	51	51	17	47	50	2
	Amnt. (£m)	1,868.8	1,520.9	0.1	1,538.7	-	1,414.7	608.3	46.1	110.0	156.1	0.8
All cases	No.	20,456	35,450	2,880	22,433	459	19,398	19,536	2,165	18,518	18,852	2,670
	Amnt. (£m)	5,513.0	3,593.2	61.0	4,031.0	69.5	3,479.9	1,522.2	85.3	487.6	572.9	15.4

[1] 'Neg.' means negligible - amount did not round up to £0.1 million.

Table 8 - Distribution of Selected Allowances, Reliefs and Deductions

Range of Net Case I Income		Capital Allowances Machinery & Plant	Build- ings	Losses Carried Forward	Deductns. from Tot. Inc.	Manuf. Relief	Export Sales Relief	Double taxation Relief	Other tax Relief	Withhold- ing tax Credit	Income tax Credit
Negative or Nil	No.	7,546	1,230	4,976	3,469	6	3	139	126	147	5,250
	Amnt. (£m)	579.0	84.3	507.4	197.9	0.2	0.5	1.5	5.0	0.7	20.5
£1- £25,000	No.	6,588	660	1,493	665	1,484	76	23	99	337	3,106
	Amnt. (£m)	66.2	6.1	19.0	8.6	4.8	0.2	Neg.[1]	0.2	1.8	2.4
£25,001- £50,000	No.	1,361	219	121	151	641	37	8	32	94	794
	Amnt. (£m)	19.5	3.0	2.3	4.6	6.9	0.4	Neg.	0.2	0.8	1.1
£50,001- £75,000	No.	571	125	39	77	325	28	4	13	25	390
	Amnt. (£m)	14.0	2.1	0.8	4.6	5.8	0.6	Neg.	0.1	0.4	1.0
£75,001- £100,000	No.	377	79	31	61	214	13	2	8	15	247
	Amnt. (£m)	9.8	3.3	1.4	4.2	5.4	0.3	Neg.	Neg.	0.2	0.7
£100,001- £200,000	No.	682	180	35	139	457	44	7	15	18	465
	Amnt. (£m)	51.6	7.4	3.0	13.9	18.8	1.6	Neg.	0.4	0.3	1.9
£200,001- £300,000	No.	287	96	13	70	209	12	6	15	8	183
	Amnt. (£m)	54.3	2.4	1.4	9.8	15.6	0.4	Neg.	0.7	0.2	1.1
£300,001- £400,000	No.	128	44	8	32	92	14	1	6	3	84
	Amnt. (£m)	15.3	1.8	1.7	5.6	9.3	1.2	Neg.	0.3	0.1	0.5
£400,001- £500,000	No.	104	37	6	38	87	12	4	2	-	68
	Amnt. (£m)	11.8	2.3	2.5	10.3	10.5	1.3	Neg.	0.2	-	0.6
£500,001- £600,000	No.	76	20	2	26	48	6	2	2	3	55
	Amnt. (£m)	8.2	0.8	0.1	6.5	7.6	0.9	0.3	0.3	0.2	0.5
£600,001- £700,000	No.	61	20	5	21	53	8	-	1	1	48
	Amnt. (£m)	6.7	2.9	0.8	6.9	9.2	0.8	-	Neg.	0.1	0.3
£700,001- £800,000	No.	33	18	1	20	35	4	1	4	-	28
	Amnt. (£m)	9.4	1.2	Neg.	8.0	7.9	0.6	Neg.	1.0	-	0.2
£800,001- £900,000	No.	44	19	4	13	34	5	1	2	-	25
	Amnt. (£m)	38.1	0.9	0.5	7.6	8.7	1.2	Neg.	0.5	-	0.2
£900,001- £1,000,000	No.	27	11	4	10	21	7	1	2	1	16
	Amnt. (£m)	7.9	0.7	0.6	4.4	4.8	2.2	Neg.	0.8	Neg.	0.9
£1,000,001- £5,000,000	No.	239	125	13	102	271	55	11	14	5	157
	Amnt. (£m)	138.5	37.3	13.1	94.6	168.4	29.3	0.5	4.7	0.1	3.6
£5,000,001- £10,000,000	No.	49	24	2	16	56	14	1	1	3	21
	Amnt. (£m)	117.0	9.7	2.8	39.6	109.1	23.2	0.3	3.9	Neg.	0.6
Over £10,000,000	No.	36	20	1	17	38	16	2	3	1	20
	Amnt. (£m)	272.8	43.4	Neg.	124.0	295.5	137.3	13.1	5.1	Neg.	2.1
All cases	No.	18,209	2,927	6,754	4,927	4,071	354	213	345	661	10,957
	Amnt. (£m)	1,420.1	209.6	557.4	551.7	688.5	202.0	15.7	23.4	4.9	38.2

[1] "Neg." means negligible - amount did not round up to £0.1 million.

4.9 Sectoral Breakdown of the CT Statistics

A three-digit NACE economic activity code is attached to each record in the CT database. Traditionally, the accuracy of the NACE coding (done in the various tax districts by different people at different times) has been regarded as suspect within Revenue. Nevertheless, it was possible to use the NACE information to help build a more reliable breakdown of tax payments by sector than was available in the past. The NACE information was combined with information from separate sources within Revenue on tax payments by financial companies. The presence of manufacturing relief was used to allocate tax payments to the manufacturing sector but with IFSC companies (which avail of the 10 per cent tax rate through the manufacturing relief mechanism) excluded. The results for the 1990/91 CT data set are shown in Table 12.

4.10 A Comparison of Revenue's NACE Codes with CSO Data

One way of judging the accuracy of the Revenue Commissioners' NACE coding would be to compare it with similar data from the CSO.

In the "Statistical Abstract" for 1991 there is a table (Table 4.5) which shows the distribution of industrial establishments by sector as classified by NACE code. The following table compares the Revenue and the CSO distributions across the relevant sectors. This is a partial comparison only, but it will give some idea of the accuracy of the NACE coding on the CT file.

The CSO data cover 1988. The Revenue data are for 1990/91. The CT NACE codings are clearly far from perfect but may in fact be better than had been believed. There is a better correspondence than expected between the percentage distributions in most sectors. An examination of company names and NACE codes on the database shows that many codes are carefully input but there are codes where almost every entry is wrong. All the data in this paper could be broken down by NACE division. Also, the CT database can easily be queried by three-digit NACE code. These queries can be stratified by income range and can cover all or any of the variables on the form CT1. This flexibility is a feature of the underlying software. However, given the questionable accuracy of the NACE coding on the CT file, it is not proposed to publish any sectoral distribution of the data for the moment. The statistics unit of the Revenue Commissioners' Legislation and Statistics section has contacted the CSO to offer help in the task of correcting the NACE coding on the CT file. Some of the data on the CT live file are made available to the CSO for use in preparing the national income and expenditure accounts and the CSO is in the process of correcting the NACE coding on its own version of the CT database. When this process is complete it is intended to take the NACE information from the CSO and match it with the Revenue Commissioners'

CORPORATION TAX STATISTICS
1990/91
Table 9 - Percentage Distribution of selected Income and Tax variables by range of Net Case I

Range of Net Case I Income	Adjusted profits		Net Case I		Total Income		Gross tax due		Total payments	
	Numbers	Amount	Numbers	Amount	Numbers	Amount	Numbers	Amount	Numbers	Amount
Negative or Nil	26.4%	15.1%	56.8%	0.0%	31.7%	7.7%	24.7%	4.4%	23.7%	9.1%
£1- £25,000	47.7%	3.0%	28.1%	1.9%	44.5%	2.2%	49.1%	2.3%	49.6%	4.7%
£25,001- £50,000	8.6%	1.6%	5.0%	1.8%	7.9%	1.7%	8.8%	1.9%	9.0%	3.3%
£50,001- £75,000	3.6%	1.1%	2.1%	1.3%	3.3%	1.3%	3.6%	1.3%	3.7%	2.2%
£75,001- £100,000	2.3%	1.0%	1.3%	1.1%	2.1%	1.1%	2.3%	1.1%	2.4%	1.9%
£100,001- £200,000	4.2%	3.4%	2.5%	3.4%	3.9%	3.3%	4.2%	3.6%	4.3%	5.6%
£200,001- £300,000	1.7%	2.6%	1.0%	2.4%	1.6%	2.3%	1.7%	2.5%	1.8%	3.4%
£300,001- £400,000	0.9%	1.5%	0.5%	1.7%	0.8%	1.6%	0.9%	1.7%	0.9%	2.5%
£400,001- £500,000	0.7%	1.5%	0.4%	1.8%	0.6%	1.7%	0.7%	1.6%	0.7%	2.1%
£500,001- £600,000	0.5%	1.1%	0.3%	1.4%	0.4%	1.3%	0.4%	1.4%	0.4%	2.1%
£600,001- £700,000	0.4%	1.2%	0.2%	1.5%	0.4%	1.4%	0.4%	1.4%	0.4%	1.9%
£700,001- £800,000	0.2%	0.9%	0.1%	1.1%	0.2%	1.0%	0.2%	0.9%	0.2%	0.9%
£800,001- £900,000	0.3%	1.7%	0.2%	1.4%	0.3%	1.3%	0.3%	1.2%	0.3%	1.5%
£900,001- £1,000,000	0.2%	0.8%	0.1%	1.0%	0.2%	0.9%	0.2%	0.9%	0.2%	1.1%
£1,000,001- £5,000,000	1.8%	17.9%	1.0%	21.7%	1.6%	20.3%	1.8%	20.5%	1.8%	18.5%
£5,000,001- £10,000,000	0.4%	11.8%	0.2%	14.2%	0.3%	12.7%	0.4%	13.4%	0.4%	12.0%
Over £10,000,000	0.3%	33.9%	0.1%	42.3%	0.2%	38.2%	0.3%	40.0%	0.3%	27.2%
100% =	20,456	5,513.0	35,450	3,593	22,433	4,031.0	19,536	1,522.2	18,852	572.9

109

CORPORATION TAX STATISTICS, 1990/91

Table 10 - Distribution of selected Income and Tax variables within each range

Range of Net Case I Income	Adjusted profits (100% =)	Net Case I	Total Income	Gross tax due	Total payments[1]
	£m				
Negative or Nil	832.2	0%	37%	8%	6%
£1-£25,000	163.4	43%	54%	22%	16%
£25,001-£50,000	89.1	71%	79%	32%	22%
£50,001-£75,000	62.0	73%	81%	33%	20%
£75,001-£100,000	54.8	74%	81%	32%	20%
£100,001-£200,000	185.3	66%	72%	30%	17%
£200,001-£300,000	145.1	60%	64%	26%	14%
£300,001-£400,000	83.5	73%	77%	31%	17%
£400,001-£500,000	81.0	78%	82%	30%	15%
£500,001-£600,000	60.0	86%	90%	36%	20%
£600,001-£700,000	64.1	83%	87%	33%	17%
£700,001-£800,000	49.1	78%	81%	28%	10%
£800,001-£900,000	91.3	54%	57%	21%	9%
£900,001-£1,000,000	44.6	81%	84%	32%	14%
£1,000,001-£5,000,000	986.1	79%	83%	32%	11%
£5,000,001-£10,000,000	652.6	78%	79%	31%	11%
Over £10,000,000	1,868.8	81%	82%	33%	8%
All cases	5,513.0	65%	73%	28%	10%

[1] Equals effective rate on adjusted profits.

110

CORPORATION TAX STATISTICS, 1990/91

Table 11 - Percentage Distribution of Allowances, Reliefs and Deductions by range of Net Case I

Range of Net Case I Income	Capital Allowances				Losses Carried Forward		Manufacturing Relief	
	Machinery & Plant		Buildings					
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Negative or Nil	41.4%	40.8%	42.0%	40.2%	73.7%	91.0%	0.1%	0.0%
£1- £25,000	36.2%	4.7%	22.5%	2.9%	22.1%	3.4%	36.5%	0.7%
£25,001- £50,000	7.5%	1.4%	7.5%	1.4%	1.8%	0.4%	15.7%	1.0%
£50,001- £75,000	3.1%	1.0%	4.3%	1.0%	0.6%	0.1%	8.0%	0.8%
£75,001- £100,000	2.1%	0.7%	2.7%	1.6%	0.5%	0.3%	5.3%	0.8%
£100,001- £200,000	3.7%	3.6%	6.1%	3.5%	0.5%	0.5%	11.2%	2.7%
£200,001- £300,000	1.6%	3.8%	3.3%	1.1%	0.2%	0.3%	5.1%	2.3%
£300,001- £400,000	0.7%	1.1%	1.5%	0.9%	0.1%	0.3%	2.3%	1.4%
£400,001- £500,000	0.6%	0.8%	1.3%	1.1%	0.1%	0.4%	2.1%	1.5%
£500,001- £600,000	0.4%	0.6%	0.7%	0.4%	0.0%	0.0%	1.2%	1.1%
£600,001- £700,000	0.3%	0.5%	0.7%	1.4%	0.1%	0.1%	1.3%	1.3%
£700,001- £800,000	0.2%	0.7%	0.6%	0.6%	0.0%	0.0%	0.9%	1.1%
£800,001- £900,000	0.2%	2.7%	0.6%	0.4%	0.1%	0.1%	0.8%	1.3%
£900,001- £1,000,000	0.1%	0.6%	0.4%	0.3%	0.1%	0.1%	0.5%	0.7%
£1,000,001 £5,000,000	1.3%	9.8%	4.3%	17.8%	0.2%	2.4%	6.7%	24.5%
£5,000,001 £10,000,000	0.3%	8.2%	0.8%	4.6%	0.0%	0.5%	1.4%	15.8%
Over £10,000,000	0.2%	19.2%	0.7%	20.7%	0.0%	0.0%	0.9%	42.9%
All cases (100% =)	18,209	1,420.1 (£m)	2,927	209.6 (£m)	6,754	557.4 (£m)	4,071	688.5 (£m)

111

Table 12: Sectoral Breakdown of Net Tax Payments, 1990/91

Sector	Estimated Percentage Share of Total Net CT Payments* %
Manufacturing	42
Construction	3
Distribution and Catering	26
Transport	2
Financial:	
(i) IFSC	9
(ii) Other	14
Other	4
TOTAL 100% =	£557.5m

* Net CT payments consist of ACT plus CT minus repayments.

1990/91 CT dataset. The corrected codes will be carried into future CT datasets in the Revenue Commissioners' Office. It is hoped to complete this process during 1993 as a joint venture between statistics unit and the CSO. If this plan is successful, the statistics in this paper will be available in future with a reliable sectoral breakdown.

5. FUTURE WORK

A further year's data will be produced in March, 1993. This will cover accounting periods ended between 1 April, 1991 and 31 March, 1992 giving a 1991/92 CT data set. The intention is to publish both years (1990/91 and 1991/92) in the next Revenue Statistical Report. That will be the 1992 report to be published in 1993. It is likely that the published material will be in the format set out in Tables 5, 7 and 8 of this paper.

In the next phase of the development, planned for the first half of 1993 it is intended to build a "what if" model based on the distributional data. The purpose of such a model would be to calculate the Exchequer impact of:

Table 13

Sector	Numbers		Per cent of total	
	Revenue	CSO	Revenue %	CSO %
Mines, quarries, turf	304	112	5.6	2.3
Electricity, gas, water	79	96	1.4	2.0
Manufacture of non-metallic mineral products	426	307	7.8	6.2
Chemicals	322	217	5.9	4.4
Metals, engineering	1,012	1,470	18.5	29.9
Food	871	790	16.0	16.1
Drink and tobacco	97	76	1.8	1.5
Textiles	170	182	3.1	3.7
Clothing and footwear	512	375	9.4	7.6
Timber and wooden furniture	511	489	9.4	10.0
Paper and printing	787	450	14.4	9.2
Other industry	367	350	6.7	7.1
TOTALS	5,458	4,914	100.0	100.0

* Changes in CT rates
* Abolition/curtailment of CT reliefs
* Changes in CT rules (e.g., changes in CT payment dates).

In addition, the model should be capable of showing the number of companies which gain or lose under any policy proposal, their location in the corporate income distribution and the extent of their gains or losses.

With the correction of the NACE codes (see Section 4.10 above) the model will also show these various facets of policy changes across NACE sectors.

5.1 Can More Data be Captured?

As already indicated, the current system of CT statistics is limited to capturing data from the form CT1. If information is not on the form, then as matters stand, it cannot be captured in the statistics. Two additional areas of data would be worth capturing on the CT statistics - information from other taxes for each company and information from the company's accounts.

For example, the VAT file contains sales information whilst the PAYE file would give access to employment numbers. At present it is impossible to read across taxes on the scale required. This is because each tax has its own computer file *and the same company can have a different serial number for CT, PAYE and VAT.* Of the 35,450 cases in the CT statistics for 1990/91 only 4,613 had the same number for these three taxes. In these circumstances, it becomes impossible to match over 35,000 CT cases with 115,000 employer registrations for PAYE or with over 120,000 VAT registrations. Fortunately, work on the task of integrating taxpayer records under a single unique number is under way in the office of the Revenue Commissioners. When this job is completed, the scope of the CT statistics can be extended easily. However, the job of integrating the Revenue Commissioners' records is a huge undertaking and will not be completed for several years. In the meantime, there may be a case for extending the form CT1 to ask the number of employees on the accounting date and also whether the majority shareholding is Irish or foreign. Any such extension of the form would have to be agreed with all the interested parties.

As regards accounting information, there are proposals (to be discussed with the accountancy profession) for electronic capture of returns *including key accounting data.* Again, the timescale for completion of this project is measured in years.

6. CONCLUSIONS

This paper "unveils" a new set of corporation tax statistics which will be made available to the general public later in 1993. In future, these statistics will be published annually.

These statistics are set against a background where the yield has risen substantially and is now on a par with the yield from corporation tax in the rest of the developed world. Some of the reasons for this increased yield are suggested in Section 1.3.

As Section 4 above indicates, the distribution statistics are the product of some 35,000 tax returns received for a 12-month period. There are about 60,000 corporation tax cases on file, some of which are clearly defunct. This explains part of the apparent shortfall in the number of returns received compared with the number of cases on record. This problem is being tackled in two ways - by the removal of defunct cases from the record for future years and by the introduction of legal penalties for live cases which fail to make a return. In retrospect, it is also clear that the 1990/91 statistics were compiled several months too soon.

The statistics show that on aggregate the Irish corporate sector is paying a tax rate of about 10 per cent on its adjusted profits. The statistics allow other "effective tax rates" to be calculated.

The distribution statistics reveal evidence of a dual corporate structure in Ireland - at one extreme we have a large number of companies paying very little tax. At the other extreme the bulk of the yield is being paid by a relatively small number of companies in the higher ranges of corporate income.

Finally, the paper indicates that the statistics are available broken down by economic sector but the limitations of the current economic activity coding are briefly explored. Steps being taken to correct the economic activity codes are outlined.
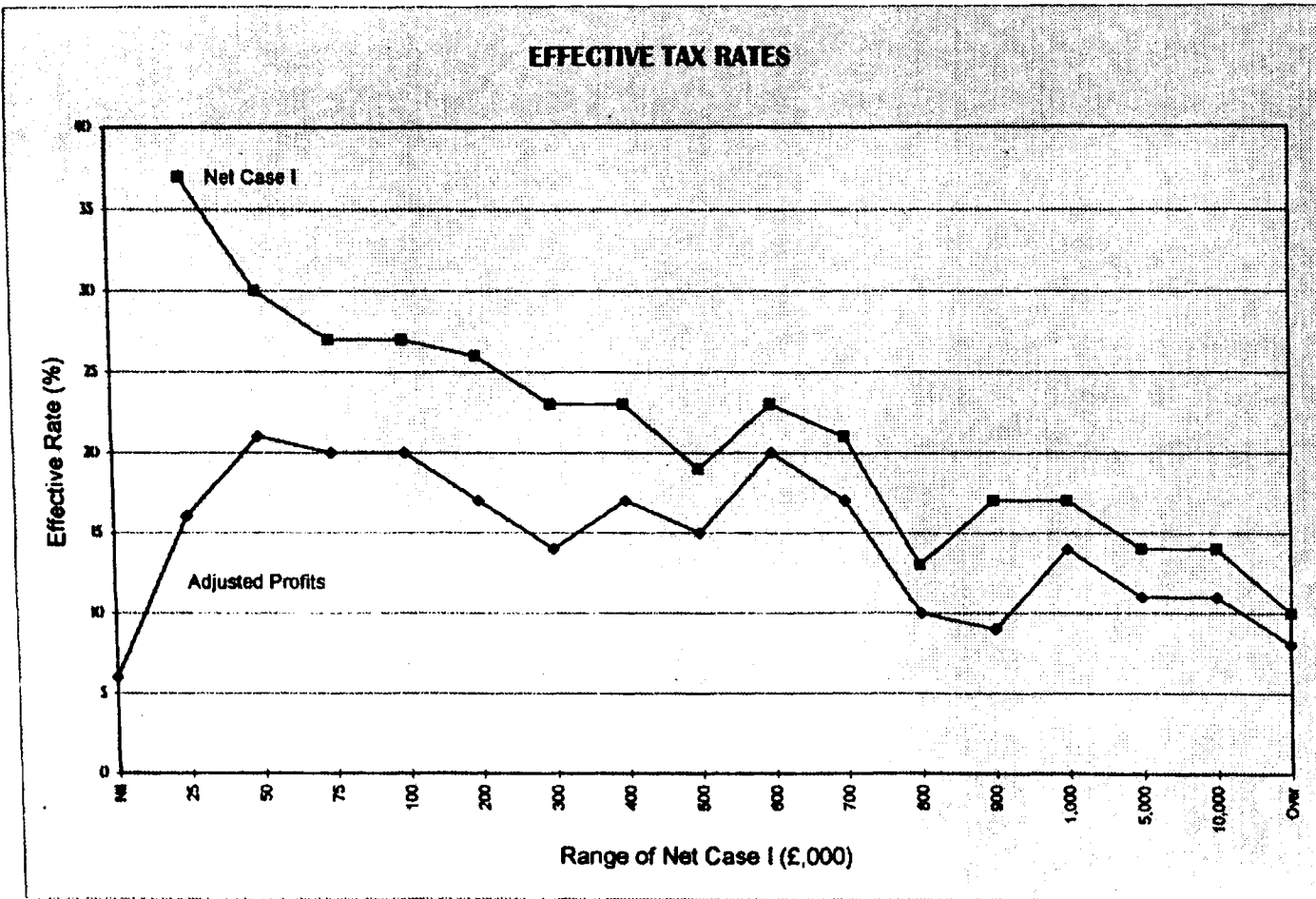
Footnotes

1.   In retrospect, the 1990/91 statistics were produced too soon. Running the statistics in June 1992 instead of March 1992 would have produced some 43,000 returns. Future years will be run in June.

2.   Inland Revenue Statistics, 1992: HMSO, London, 1992. The statistic quoted covers "Home Industrial and Commercial companies excluding North Sea Oil and gas but including Financial companies".

3.   "Company Taxation - A Crisis of Identity".

4.   International Financial Services Centre.

References

Company Taxation - A Crisis Is of Identity, Paper delivered to the Foundation for Fiscal Studies, November, 1989. **HMSO,** 1992. *Inland Revenue Statistics, 1992*, London: HMSO.

OECD, 1992. *Revenue Statistics of OECD Member Countries 1965-1991*, Paris: OECD.

EFFECTIVE TAX RATES

Net Case I

Adjusted Profits

Effective Rate (%)

Range of Net Case I (£,000)

APPENDIX 2

A note on the concentration of capital gains in the lowest range of net Case I

Table 7 to this paper shows that the bulk of capital gains are in the hands of some 317 companies located in the "negative or nil" range of net Case I income.

An examination of the SAS database file shows that these are predominantly financial, property and insurance companies. The distribution of capital gains within this range shows:

Sector	Sector as percentage of	
	Numbers in range	Amount of gains
	%	%
Building	5	2
Retail distribution	13	6
Banking, finance, insurance	43	53
Real estate letting	5	5
Others	34	34
TOTALS (100% =)	317	£50.2m

However, the companies are located in the lowest range because of the sources of their income - these companies have no net Case I income but instead have capital gains, rental income and so on.

It is a simple task to break down the income of these companies from all sources:

Net rental income	8%
Interest	25%
Taxed interest	8%
Foreign income	7%
Other taxed or untaxed income	9%
Investment income	2%
Regrossed capital gains	41%
TOTAL (100% =)	£123m

The point to note is that the use of net Case I as the income classifier to some extent disguises the existence of a number of companies in the bottom income range who in fact have considerable amounts of other income. In all other ranges, net Case I is the predominant income source.

DISCUSSION

Paul Sweeney: It gives me great pleasure on behalf of the Society to thank Mr Gillanders for his excellent paper on Corporation Tax Statistics, which expands the pool of information available to analysts and policy makers in this area. Mr Gillanders is to be congratulated for his clear exposition of a complex subject which adds substantially to our knowledge of the Irish corporate sector.

There is a view that the corporate sector should not be taxed at all and this is discussed in the first report of the Commission of Taxation, where it merits a chapter. The Commission concluded that, "in principle, there is no case for a separate tax on company profits, but a tax should continue to be collected at company level in a prepayment of shareholders' liability". However, the implementation of a comprehensive system of taxation for all corporate income, whether distributed or retained, by allocation to individuals and taxed as personal income, is very difficult to achieve administratively. Such a system is not in operation in any country. As owners of shares tend to have much higher incomes than others, extra taxation is not necessarily inequitable. Most importantly, from an Irish perspective, as the owners of many of the larger companies operating here are not resident, we would be unable to raise taxes from them if we did not tax corporate profits. Furthermore we would also lose additional taxes on transfer pricing, which is a substantial activity in Ireland (see NESC Report No 94).

Perhaps the most interesting information to emerge from Mr Gillanders' paper is the substantially increased yield in corporation tax as a percentage of total taxation. This has more than doubled between 1987 and 1992. Virtually all commentators have agreed that a major problem with the Irish taxation system has been its narrow base, and, the fact that the corporate sector is now paying a greater amount of tax and is moving towards the average level of tax paid by the corporate sectors in other OECD countries is very welcome.

While there has been an upward trend in corporation tax payments, in 1990 Irish corporation tax as a percentage of GDP was 1.8 compared to 2.9 in the OECD.

The provisional figure in Table 1 of the paper indicated that this had risen to 2.6 per cent in 1992. This is very welcome. However, I would argue that it is more accurate to compare Ireland to the EC, where average CT as a percentage of GDP stood at 3.1 per cent. Thus the Irish corporate sector still has some way to make up.

Taxes on corporate income as a percentage of total taxation in Ireland has risen substantially as we can also see from this paper, but even at 6.8 per cent of total tax it is still below the EC average of 7.3 per cent to 7.6 per cent between 1985 and 1990. In 1989

Ireland was 23rd out of the 24 OECD countries in the proportion of Corporation Tax from the corporate sector in total taxes. In 1990 Ireland had only risen to 19th place.

On the subject of international comparisons, I was struck by the fact that of the 24 OECD countries, 12 of them have Wealth Taxes and of those twelve, eight have taxes on the net wealth of incorporated businesses. These include Germany, Switzerland, Luxembourg and Canada. As these countries clearly do not find that Wealth Taxes cause flights of capital, there is a case for the re-introduction of a Wealth Tax in Ireland, particularly as it was originally intended as complementary to the relatively low level of Capital Acquisitions Taxes.

The rise in corporation taxation is due to the ending of Export Sales Relief (ESR), the ending of accelerated depreciation, some moves to curb Section 84, the taxation of co-ops and a rise in profits. The ending of ESR, which was imposed by the EC, and was not a decision voluntarily taken by the Irish government, is, I am glad to see, contributing to the substantial increase to corporation tax. It has not led to a flight of multi-nationals from the country, as some people had argued in the past. Another welcome development revealed in the paper is that companies in, (and in some cases not in), the International Financial Services Centre are beginning to pay tax.

For over 10 years my union, SIPTU, has argued for a minimum effective rate of tax of 10 per cent in manufacturing companies and a 20 per cent rate on non-trading companies. This simplified tax system has the attractions of raising a minimum amount of revenue on every profitable company each year, reducing the incentive for capital intensity and the drive to tax avoidance. Such a system is in operation in the US and it would be particularly useful here with the low nominal rate of corporation tax and the low rate of employers' PRSI.

Mr Gillanders' discussion of the average effective rate is interesting. He states that it is 10 per cent of adjusted profits and 16 per cent of Net Case I income. He says that Case I income is "as close as you can get to net trading profits of companies". It does not include rent, interest and other income (see Table 5), but as further deductions are of approximately the same level, then this may be the appropriate benchmark.

Stewart pointed out that fiscal incentives had diffused into areas not intended and had reduced the CT take. His study found that average effective tax rates had fallen from 29 per cent in 1964-66 to 10.7 per cent in the period 1981-1983. Thus, if the 16 per cent is accepted as the effective rate of taxation then there has been a welcome rise in CT. But it is still low and many SIPTU members would gladly pay at this level.

Mr Gillanders' paper states that the average tax payment for manufacturing companies in 1990/91 was 9 per cent and therefore our suggestion of a minimum effective tax no longer seems radical and so should gain increasing support. An effective rate of 9 per cent, with a nominal rate of 10 per cent is surprisingly high. If however, manufacturing companies, most of which are in the traded sector, are paying tax at 9 per cent and are contributing 42 per cent of all CT taxes (T.12) and as average effective rate of tax for all companies is only 16 per cent, then clearly most other companies are paying very little taxation. This is probably because of the diffusion of tax incentives to non-trading sectors. The case for a minimum tax of 20 per cent on non-trading companies is therefore all the more urgent today.

I would like to take the opportunity to state SIPTU's opposition to the reduction of employers' PRSI as proposed by Fine Gael. The rate of employers' PRSI is low by international standards, is one of the few contributions that the corporate sector pay and as other OECD statistics show, effective payments are very low in Ireland. If we wish to change the capital/labour bias, we should focus on the very substantial amounts of capital allowances, which Table 8 shows amounted to £1.6bn in 1990/91 and total deduction, reliefs etc., amounted to a staggering £3,091m. Too large a proportion of these go to the non-trading sectors.

I recognise that there has been a move to reduce these capital allowances, (though simultaneously accompanied by a reduction in the nominal rates of CT, but as I stated in a paper read before the Society in March, 1992, I believe that the Culliton Report did not pay enough attention to the extent of tax breaks which amounted to over £1.4bn, in 1989/90, to industry alone, and which have been growing substantially each year. Table 11 shows the capital intensity of the larger firms which appear to be mainly in the manufacturing area, though companies with no Case I income had 41 per cent of capital allowances. Tables 7 to 11 give much food for further analysis.

I was particularly disappointed with the lack of sectoral breakdown in the data. Mr Gillanders has pointed out that the accuracy of the NACE coding on the corporation tax files is questionable and it is to be hoped that the moves to address this are rapidly completed. The sectoral distribution of these data would be extremely interesting.

I trust that as Section 52 of the 1992 Finance Act begins to take effect to force, those companies which do not have a tax liability to make returns, the 60,000 "live" files with the Revenue can be reconciled with the 35,500 which have made returns. It is disappointing to see that the Revenue still have not one single number for the three different taxes, VAT, PAYE and CT and it is hoped that progress can be made rapidly in this area so that we can analyse the relationship between profitability and employment, etc.

As we are discussing taxation, I would like to take the opportunity to address the question of evasion and avoidance. One of the revelations to the general public of the Glackin Report on the Telecom site was the remarkable schemes which are used by tax planners to avoid taxes. In this case it was a company avoiding both Corporation Tax and stamp duty. With the current financial situation in the country, there is a strong case for the Revenue and the government to take really tough action against the tax avoiders and evaders. Many people have urged a drive against avoidance and evasion for years, but is it not time that a concerted effort was made in these areas?

In conclusion, I would like to congratulate the Revenue Commissioners on the moves that they have made in recent years to publish better data, including the very popular list of evaders in their Annual Report, and to say that Mr Gillanders' statistics in these papers which are to be published annually from now on, will be a very welcome addition to our knowledge of the corporate sector in Ireland. Those of us who believe in an open society look forward to an extension of information from the Revenue Commissioners and while it may be a long time before we reach the level of some Scandinavian countries and the US, where you can check your neighbour's income declaration and tax return, I believe that the move towards more openness will make for a fairer and a more enterprising society.

Michael Walsh: This work, prepared by Norman Gillanders and his colleagues in the Revenue Commissioners, represents a major step forward in the data on the Irish corporate sector.

In the absence of this database there was substantial difficulty in forming tax policy. This is highlighted by Mr Gillander's example of the inaccurate estimates on the Exechequer cost of capital allowances. For 1988/1989 the cost of corporate capital allowance was originally estimated at IR£162 million. Following this work, the revised estimate is IR£254 million, an increase in cost of approximately 57 per cent.

The database also serves to highlight the significant proportionate increase in the incidence of corporate taxation. Corporation tax receipts have tripled since 1987. A number of reasons are put forward for this increase, e.g. increased profitability in the corporate sector, the phasing out of accelerated capital allowances, the cessation of Export Sales Relief. Given the inaccuracy of other estimates, the conjecture on the cause of the increases without strong supporting data could be totally misleading. As a percentage of GDP the Irish corporate tax take is in line with OECD averages. However, one must be careful about such a focus, as the ability of corporates to pay tax relates to profitability and not to GDP except in the most indirect fashion.

Profitability of Irish Corporate Sector

The deductions one might make on the state of Irish industry based on the corporate tax forms sent out and an analysis of the returns could be very depressing.

		%
Forms sent out	60,000	100
Forms returned	34,450	59
Firms "trading"	25,511	38
Some payment	18,852	31
Above £100,000 Case I	2,200	3

It is not possible to be certain why there is such a disparity, only 59 per cent of the forms sent to companies are returned. It is quite possible that a sizeable portion of these firms are no longer in business. What is perhaps more disturbing is that less than 40 per cent of the firms receiving forms claim to be trading and less than one-third are in a tax paying position. The very small size of Irish industry is highlighted by the fact that there are only 2,200 firms with Case I income above IR£100,000, which in itself is an extremely low level of profitability.

The average structure of Irish corporate taxes can by synopsised as follows:

	%
Adjusted Profits	100
Net Case I Income	65
Tax @ 43 per cent	28
Tax paid	10

One fifth of the tax paid is in the form of ACT. There were unused allowances equivalent to 14 per cent of the adjusted profits. The inability to use these allowances is due to inadequate profits in the companies where these allowances were available.

Income Classifier

In his analysis, Mr Gillanders has chosen to use Net Case I as the classifier for the different companies. There are a number of different classifiers he could have used: (a) Adjusted Profits; (b) Net Case I Income; or (c) Net Income Charged to Tax.

To highlight the problem of the net Case I classifier chosen, one can examine an abstract from Table 7 of his paper.

Net Case I Profits		Adjusted Profits	Net Case I Profits
Less than Zero	No. Firms	5,401	-
	Amount	£832m	-
£1 - £25,000	No. Firms	9,753	9,972
	Amount	£163m	£70m

In the above extract, one observes that there are more profits made on an adjusted profits basis by those companies with negative net Case I profits, than by those who make net Case I income between IR£1 and IR£25,000. This occurs because there are some very successful companies which, because of their expenditure on expansion, have no net Case I income even though they are otherwise profitable. This problem of income classifiers can be substantially alleviated by providing a full tabulation of adjusted profits against net Case I income. In addition, the Revenue have the capability to provide the analysis using any of the variables as the key classifier.

Duality of Corporate Tax System

The duality of the tax system can be seen from the statistics in that like many businesses, 80 per cent of the revenue comes from 20 per cent of the customers. In the case of the corporate tax system, 83 per cent of the companies make 17 per cent of the payments. On the opposite end of the spectrum, 2.5 per cent of the companies make 57 per cent of the payments.

Profile of Companies with Minimal Profits

83 per cent of all Irish companies have Case I profits below £50,000. These relatively unprofitable or small companies:

a)   make 17 per cent of the total tax payments;

b)   earn 86 per cent of all rental income in the corporate sector;

c)   pay 77 per cent of all capital gains taxes paid by the corporate sector;

d)   are often unable to use their capital and other allowances; and

e)   pay an effective tax charge of 32 per cent.

When one looks at the tax characteristics of these companies one sees that they are much more akin to personal tax rather than corporate tax payers. They are paying tax at a rate three times higher than the large firms and the high instance of tax on rental income and capital gains would suggest a large number of small property or investment companies.

Profile of Profitable Companies

At the other end of the spectrum are the successful companies with Case I profits in excess of IR£10 million. This group consists of 52 companies. Fourteen of these are listed on the stock exchange (i.e. 29 per cent). The effective tax charge in this group of 52 is only 11 per cent and they make 27 per cent of all payments.

As can be seen from the above description of the large and small companies the effective tax charge declines as the size of the profits increases.

Case I Profit	Effective Tax Charge (%)
Below IR£50,000	32
IR£50,000 to IR£500,000	25
IR£500,000 to IR£10,000,000	19
Above IR£10,000,000	10

Sectoral Information

Within the paper there is relatively little sectoral data, but the Revenue are now in a position to produce these data. Some elements are particularly interesting, e.g. the International Financial Services Centre (IFSC) is providing a major source of corporate tax revenue. As of 1991 it was generating tax revenues equivalent to 25 per cent of the revenues from all the manufacturing sector. This is likely to have increased subsequently.

The sectoral data at present are somewhat suspect. They are not fully consistent with the CSO data, e.g. Revenue identify 5,458 manufacturing firms, whereas the CSO only identify

4,914. This difference may be due to errors by the Revenue, by the CSO, or by differences in classification. At this point in time, it is impossible to be certain.

Conclusion

This database as it develops will enable the Revenue and others to more accurately assess the impact of taxation and policy change. A substantial amount of additional value will be available when there is the ability to interrelate the different tax files which exist for corporate tax payers, for VAT payers and for employers. To date, only 4,500 firms have common identification numbers for all three files.

In finishing, I would like to congratulate Mr Gillanders and the Revenue on the excellent job that they have done in establishing this corporate database. They have highlighted some of the issues and problems which remain to be dealt with in the future. None the less, the database, which will begin to provide trend information in the next few years, represents a major step forward in our ability to understand the Irish corporate sector.

D. de Buitleir: Dr de Buitleir congratulated Mr Gillanders on his personal contribution to developing the corporation tax statistics presented in his paper. The work involved was very substantial and the data were most valuable. There was much to analyse in the data he presented which would greatly inform policy discussions in important areas.

It was possible that the yield from corporation tax was now artificially high due to an abnormally low level of capital allowances claims arising from the switch from accelerated to normal depreciation, which began in 1988. We were now getting the benefit from this and the effect could be significant, bearing in mind the substantial cost of capital allowances identified in the paper.

The high cost of the incentive reliefs identified in the paper pointed to the dual nature of our corporation tax system. Companies not within the scope of these reliefs faced a corporation tax regime in which the tax base was perhaps the widest in the EC and the tax rate was also relatively high; it was the third highest in the EC.

He also asked how were Groups treated in the statistics?

Reply by Norman Gillanders: Custom prevents a serving civil servant from giving opinions on policy in public. Because of this constraint I will confine my reply to covering the technical and data issues raised by the previous speakers. Where, for example, Mr. Sweeney says

that the rising yield from corporation tax which has brought us more into line with OECD norms is "very welcome", I can only reply that my role is not to welcome this development but merely to point out that it has taken place. Similarly, I have nothing to say about whether or not wealth tax should be re-introduced or employers' PRSI reduced or about government policy on tax avoidance and evasion. The question of a minimum effective rate of corporation tax is mentioned by Mr. Sweeney. Again, it is a matter for the government to decide if it wants to introduce a minimum corporation tax charge. However, the "what if" model mentioned in Section 5 of my paper will include a minimum corporation tax costing option. This option will enable a minimum CT charge to be calculated on adjusted profits, net Case I income, total income or net income chargeable to tax. The tax under a minimum rate will be compared with the tax under the normal rules in each case and the resulting yields and costs will be summed across all companies. It is hoped to have a preliminary version of the model working by the end of 1993. Mr. Sweeney goes on to discuss the effective tax rates given in my paper. Since this is clearly a topic of some interest to readers of the paper I have looked at it in somewhat more detail by querying the underlying database. The rates of 10 per cent on adjusted profits or 16 per cent on net Case I turn out to be quite complicated aggregate rates which disguise considerable variation between companies paying tax at the various rates. In fact, these rates are in effect the weighted average rates of CT and could be derived as shown in the following table. The effective rate in each sector is weighted according to that sector's share of total adjusted profits or total net Case I. The weightings are readily discernible from the SAS database.

Mr. Sweeney goes on to discuss the effective tax rates given in my paper. Since this is clearly a topic of some interest to readers of the paper I have looked at it in somewhat more detail by querying the underlying database. The rates of 10 per cent on adjusted profits or 16 per cent on net Case I turn out to be quite complicated aggregate rates which disguise considerable variation between companies paying tax at the various rates. In fact, these rates are in effect the weighted average rates of CT and could be derived as shown in the following table. The effective rate in each sector is weighted according to that sector's share of total adjusted profits or total net Case I. The weightings are readily discernible from the SAS database.

Table A.1: Effective Tax Rates by Tax Sector

| | | Effective Rate of CT on: | | | |
| | | Adjusted Profits | | Net Case I | |
		Rate	Weighted	Rate	Weighted
		%	%	%	%
A.	Companies Liable to CT				
(1)	At .3%	25.86	5.27	49.20	8.08
(2)	At 10% but with ESR income also	5.72	0.63	7.30	0.96
(3)	At mainly 10%	9.65	4.47	12.08	6.86
(4)	All liables	13.35	10.37	18.42	15.90
B.	Companies not liable				
(5)	43% and 10% companies	-	-	-	-
(6)	10% but with ESR income also	-	-	-	-
(7)	ESR Companies	0.53	0.03	0.54	0.05
(8)	All non-liables	0.14	0.03	0.35	0.05
	WEIGHTED AVERAGE RATES		10.39		15.95

ESR companies are taken as non-liable by definition. The tax rate on these companies arises from their investment income. It can be seen from the table that the companies liable at the 43 per cent rate have an unweighted effective tax rate of 25.9 per cent on adjusted profits or 49.2 per cent on net Case I income. The corresponding rates for manufacturing companies were 9.7 per cent and 12.1 per cent respectively.

The high effective rates on "43 per cent companies" are disguised in the overall effective rates given in the paper by the relatively low share of the 43 per cent companies in adjusted profits and in net Case I income. These weightings are given in the following table:

Table A.2: Weightings by Tax Sector

| | | Percentage Share of Sector In: | |
		Adjusted Profits	Net Case I
		%	%
A. Companies Liable to CT			
(1)	At 43%	20.36	16.42
(2)	At 10% but with ESR income also	10.94	13.14
(3)	At mainly 10%	46.34	56.77
(4)	All liables	77.64	86.34
B. Companies not liable			
(5)	43% and 10% companies	16.54	4.89
(6)	10% but with ESR income also	0.02	0.02
(7)	ESR Companies	5.80	8.75
(8)	All non-liables	22.36	13.66

Mr Sweeney mentions the lack of sectoral data in the paper. In fact, Table 12 gives the first reliable breakdown of tax payments by sector. What is of course missing is a full breakdown by NACE division of the distributional data in Tables 7 and 8 of the paper. Progress on this must await the correction of the faulty NACE coding on the CT file.

In Section 4.10 of my paper I said that it was planned to correct the NACE codes in conjunction with the CSO. This work will soon be under way and the plan to is recode the entire 1990/91 file by the end of 1993. It would be possible to break down the Tables 7 and 8 into the tax sectors shown in Table A.1 above. This has not been done because we are concentrating the limited resources of the statistics unit on correcting the NACE codes.

Finally, Mr Sweeney mentions the gap highlighted in my paper between the 60,000 cases on file and the 35,450 cases included in the statistics. In retrospect, we can see that part of the explanation for this gap is that the 1990/91 statistics were taken from the "live" computer file a few months too soon. The 1990/91 statistics were extracted in March 1992. It is now clear that had we waited until June 1992 the statistics would have covered about 43,000 cases. In future years and starting in 1993, the statistics will be produced in June.

Professor Walsh mentions the fact that CT revenues have tripled since 1987 and feels that the explanations put forward in the paper for this increase should be treated with caution. I certainly accept that the emergence of this new CT database will force us to revise many of our previous views about corporation tax. Also, the information will become more valuable as further years become available and the data can be viewed over time.

However, there is evidence (of varying quality) for most of the reasons advanced in Section 1.3 of my paper to explain the rise in CT receipts. For example, the rather weak survey which suggested that a rise in profits reported for tax was a factor in increasing the CT revenues is actually cited in the paragraph. Trends in reported profitability will actually become evident as CT datasets for 1991/92 and subsequent years become available. The part played by the IFSC in increasing CT revenues is also cited as part of the explanation for the rise in yield. In this case the figure given is as accurate as an official statistic can be because the statistics unit is notified of the names and serial numbers of all companies approved for operation in the IFSC. The tax payments of these companies are monitored annually and have grown as follows:

	£m
1989	3.7
1990	22.3
1991	46.6
1992	77.6

Similarly, the growth in tax payments of former ESR companies was monitored carefully company by company so that we can be very confident that they paid at least £75m in CT in 1992. The point is not that we had no CT databases available to us in the past but rather that we now have an integrated and comprehensive CT database for the first time.

Professor Walsh goes on to analyse the relationship between the cases on record and the number of returns made. (There is a small typing error in his table: the figure "25,511" should read 22,511.) As already mentioned, it is now evident that the 1990/91 statistics were extracted rather too soon and this explains part of the shortfall in returns. I agree with Professor Walsh that the income classifier chosen (net Case I income) to some extent disguises the existence of companies with substantial adjusted profits in the lower income ranges. As he suggests, there are two possible ways of dealing with this. Either a separate set of tables could be produced using adjusted profits as the classifier or a

cross-classification could be produced showing ranges of adjusted profits by ranges of net Case I. Table A.3 on the following two pages takes the latter approach. The table, as Professor Walsh predicted, contains particularly useful information about the "Negative or Nil" range of net Case I income.

I agree with Professor Walsh that the effective tax rates tend to fall as profits rise. His table of "Effective Tax Charge" by ranges of net Case I income makes the same point as the graph of effective tax rates at Appendix 1 to my paper, but more concisely. (I think the figure of 19 per cent given in his table should read 14 per cent - effective tax charge in the range £500,000 to £10,000,000.) As regards the provision of better sectoral information, I have already outlined the progress made in correcting the NACE codes on the CT file.

Dr de Buitleir mentioned the possibility that the corporation tax yield was now artificially high as a transitional effect of the switch from accelerated to normal depreciation. This view is consistent with the Revenue Commissioners' costings of the capital allowance reform which showed the maximum Exchequer benefit occurring between 1991 and 1993 and then being gradually eroded. The unweighted effective tax rates by sector given in Table A.1 above would tend to support Dr de Buitleir's point about the dual nature of the corporation tax system. Finally, the basic unit in the statistics is the individual company; groups are recorded only where group relief is claimed on form CT1 or where ACT is transferred within a group. These features can be seen in the underlying database but are not evident in the summary tables in my paper.

CORPORATION TAX STATISTICS, [Accounting periods ended in 1990/91]
Table A.3 Part 1 - Distribution of adjusted profits by range of net Case I

Range of Net Case 1 Income		Net Case 1	Total	Range of adjusted profits							
				£1- £25,000	£25,001- £50,000	£50,001- £75,000	£75,001- £100,000	£100,001- £200,000	£200,001- £300,000	£300,001- £400,000	£400,001- £500,000
Negative or Nil	No.	20,138	5,401	4,315	371	143	91	179	69	44	21
	Amnt. (£m)	-	832.2	22.5	13.2	8.7	7.9	24.5	17.1	15.2	9.3
£1- £25,000	No.	9,972	9,753	8,811	726	101	42	39	9	6	4
	Amnt. (£m)	70.0	163.4	74.4	23.4	6.0	3.6	5.5	2.2	2.1	1.7
£25,001- £50,000	No.	1,775	1,761	10	1,292	327	56	56	10	7	1
	Amnt. (£m)	63.5	89.1	0.2	48.4	19.0	4.8	7.3	2.5	2.3	0.5
£50,001- £75,000	No.	742	732	3	5	463	173	71	6	2	4
	Amnt. (£m)	45.1	62.0	0.0	0.2	29.1	14.4	9.5	1.4	0.7	1.8
£75,001- £100,000	No.	469	463	2	-	3	266	174	9	3	3
	Amnt. (£m)	40.6	54.8	0.0	-	0.2	23.7	21.1	2.1	1.1	1.3
£100,001- £200,000	No.	873	866	-	-	3	-	698	110	22	11
	Amnt. (£m)	123.1	185.3	-	-	0.2	-	103.5	25.7	7.5	4.9
£200,001- £300,000	No.	351	351	-	-	-	-	1	235	74	16
	Amnt. (£m)	86.5	145.1	-	-	-	-	0.2	59.1	24.5	6.9
£300,001- £400,000	No.	177	177	-	-	-	-	-	1	117	37
	Amnt. (£m)	61.3	83.5	-	-	-	-	-	0.2	42.0	16.1
£400,001- £500,000	No.	140	140	-	-	-	-	-	-	-	71
	Amnt. (£m)	62.9	81.0	-	-	-	-	-	-	-	32.4
£500,001- £600,000	No.	94	93	-	-	-	-	-	1	-	1
	Amnt. (£m)	51.4	60.0	-	-	-	-	-	0.2	-	0.4
£600,001- £700,000	No.	82	82	-	-	-	-	-	-	-	-
	Amnt. (£m)	53.1	64.1	-	-	-	-	-	-	-	-
£700,001- £800,000	No.	51	51	-	-	-	-	-	-	-	-
	Amnt. (£m)	38.4	49.1	-	-	-	-	-	-	-	-
£800,001- £900,000	No.	58	58	-	-	-	-	-	-	-	-
	Amnt. (£m)	49.6	91.3	-	-	-	-	-	-	-	-
£900,001- £1,000,000	No.	38	38	-	-	-	-	-	1	-	-
	Amnt. (£m)	36.1	44.6	-	-	-	-	-	0.2	-	-
£1,000,001- £5,000,000	No.	365	365	-	-	-	-	1	1	1	-
	Amnt. (£m)	781.1	986.1	-	-	-	-	0.1	0.2	0.3	-
£5,000,001- £10,000,000	No.	73	73	-	-	-	-	-	-	-	-
	Amnt. (£m)	509.6	652.6	-	-	-	-	-	-	-	-
Over £10,000,000	No.	52	52	-	-	-	-	-	-	-	-
	Amnt. (£m)	1,520.9	1,868.8	-	-	-	-	-	-	-	-
All cases	No.	35,450	20,456	13,141	2,394	1,040	628	1,219	452	276	169
	Amnt. (£m)	3,593.2	5,513.0	97.1	85.2	63.2	54.3	171.6	111.1	95.6	75.2

Table A.3 Part 2 - Distribution of adjusted profits by range of net Case I

Range of Net Case 1 Income		Net Case 1	Range of adjusted profits							
			£500,001 - £600,000	£600,001 - £700,000	£700,001 - £800,000	£800,001 - £900,000	£900,001 - £1m	£1m - £5m	£5m - £10m	£10m or over
Negative or Nil	No.	-	19	18	15	9	9	75	11	12
	Amnt. (£m)	-	10.5	11.7	11.3	7.7	8.7	164.7	80.3	419.0
£1- £25,000	No.	9,972	6	1	1	2	-	3	1	1
	Amnt. (£m)	70.0	3.4	0.7	0.8	1.8	-	4.7	5.2	28.1
£25,001- £50,000	No.	1,775	-	1	-	-	-	1	-	-
	Amnt. (£m)	63.5	-	0.7	-	-	-	3.5	-	-
£50,001- £75,000	No.	742	2	1	-	-	-	2	-	-
	Amnt. (£m)	45.1	1.2	0.7	-	-	-	3.0	-	-
£75,001- £100,000	No.	469	2	-	-	-	-	1	-	-
	Amnt. (£m)	40.6	1.0	-	-	-	-	4.2	-	-
£100,001- £200,000	No.	873	5	2	3	3	1	7	-	1
	Amnt. (£m)	123.1	2.7	1.2	2.3	2.6	0.9	15.8	-	18.0
£200,001- £300,000	No.	351	11	3	3	2	2	2	1	1
	Amnt. (£m)	86.5	5.9	2.0	2.2	1.7	1.9	2.1	6.8	32.0
£300,001- £400,000	No.	177	7	1	5	2	-	7	-	-
	Amnt. (£m)	61.3	3.8	0.7	3.7	1.7	-	15.4	-	-
£400,001- £500,000	No.	140	38	13	6	6	3	3	-	-
	Amnt. (£m)	62.9	20.3	8.3	4.4	5.1	2.8	7.7	-	-
£500,001- £600,000	No.	94	50	20	11	2	4	4	-	-
	Amnt. (£m)	51.4	27.6	12.8	8.2	1.7	3.8	5.2	-	-
£600,001- £700,000	No.	82	1	41	24	9	3	4	-	-
	Amnt. (£m)	53.1	0.6	26.9	17.6	7.8	2.8	8.4	-	-
£700,001- £800,000	No.	51	-	-	25	13	4	9	-	-
	Amnt. (£m)	38.4	-	-	18.8	11.0	3.8	15.6	-	-
£800,001- £900,000	No.	58	-	-	-	25	17	14	1	1
	Amnt. (£m)	49.6	-	-	-	21.7	16.1	20.3	9.6	23.7
£900,001- £1,000,000	No.	38	-	-	-	-	17	19	1	-
	Amnt. (£m)	36.1	-	-	-	-	16.3	21.8	6.3	-
£1,000,001- £5,000,000	No.	365	1	-	-	-	-	335	20	6
	Amnt. (£m)	781.7	0.5	-	-	-	-	778.6	114.8	91.5
£5,000,001- £10,000,000	No.	73	-	-	-	-	-	1	58	14
	Amnt. (£m)	509.6	-	-	-	-	-	4.3	415.9	232.4
Over £10,000,000	No.	52	-	-	-	-	-	-	-	52
	Amnt. (£m)	1,520.9	-	-	-	-	-	-	-	1,868.8
All cases	No.	15,312	142	101	93	73	60	487	93	88
	Amnt. (£m)	3,593.2	77.4	65.6	69.2	62.7	57.2	1,075.3	638.8	2,713.4