



Angela Eagle MP

Labour Member of Parliament for Wallasey

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Sir Robert Chote
UK Statistics Authority
1 Drummond Gate
London
SW1V 2QQ

16th January 2024

Dear Sir Robert,

Misleading claims regarding falling tax burden

I am writing to raise concerns over the repeated use of inaccurate and misleading claims by Government Ministers regarding alleged cuts in taxation.

Laura Trott MP, Chief Secretary to the Treasury, has repeatedly stated that since 2010 “taxes for the average worker have gone down by £1,000”¹. She asserted this in a Parliamentary debate responding to my own intervention², and repeated it in a debate on the National Insurance Contributions (Reduction in Rates) Bill³.

A similar claim was made by Bim Alofami MP, Economic Secretary to the Treasury, last week on the BBC Radio 4 *Today Programme*. In response to the question “On National Insurance and Taxation more generally, are we at the beginning of an effort to convince people that taxes are coming down?” Mr Alofami stated that “taxes are coming down”, adding that for “an average earner on £35,000 a year, they will be £450 better off as a result”⁴.

I believe these two claims are inaccurate and could mislead a member of the public to have a mistaken perception of the taxes they will pay this year. I am concerned by two assertions these claims make; firstly that taxes are “coming down”, and secondly that individuals will pay markedly less tax this year – be it £1000 or £450.

¹ <https://hansard.parliament.uk/Commons/2023-11-22/debates/3034EC04-76EC-463B-98E4-A615C5763F79/AutumnStatementResolutions#contribution-5BB5F7E8-0CF7-4D5B-9681-ADDAB25595A2>

² *www*

³ [https://hansard.parliament.uk/Commons/2023-11-30/debates/F755C4A4-D5E9-46D9-956A-7DA2B75C37A0/NationalInsuranceContributions\(ReductionInRates\)Bill#contribution-912F5541-5D25-4272-8CEF-E6C4C9972DB8](https://hansard.parliament.uk/Commons/2023-11-30/debates/F755C4A4-D5E9-46D9-956A-7DA2B75C37A0/NationalInsuranceContributions(ReductionInRates)Bill#contribution-912F5541-5D25-4272-8CEF-E6C4C9972DB8)

⁴ <https://www.bbc.co.uk/sounds/play/m001v3bj> - Radio 4, Today Programme 8th January 2024 at 2:43 onwards

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Firstly, both Ms Trott and Mr Afolami suggest that taxes are “coming down” or “falling”. This is at odds with the Office for Budget Responsibility’s November 2023 Economic and fiscal outlook which stated that whilst “tax changes in this Autumn Statement reduce the tax burden by 0.7 per cent of GDP”, “it still rises in every year to a post-war high of 37.7 per cent of GDP by 2028-29”⁵.

Despite the Autumn Statement containing “reductions in personal and corporate taxes”⁶, the OBR’s outlook is clear that the tax burden is rising and will continue to until it reaches 37.7% of GDP in 2028-29. Given that the UK’s tax burden in 2010 was 31.96% of GDP⁷, it is clearly inaccurate for Ms Trott to suggest that taxes have fallen since this time – by 2028-29 the tax burden will be 5.74% higher than 2010 levels.

Secondly, I believe the claim that individual workers will pay less tax this year (be it Ms Trott’s £1000 figure or Mr Afolami’s £450 figure) is misleading. The Institute for Fiscal Studies (IFS) have concluded that the average individual will experience a “tax increase” in 2024. Whilst changes to the main rate of National Insurance contributions will lead to an annual tax saving of about £450⁸, these savings will be negated by the “much bigger tax rise” caused by the freezing of thresholds and allowances⁹. The IFS is clear in its analysis that whilst the impact of these changes on households will vary significantly based on income, there is an overall tax increase in 2024¹⁰.

I am concerned by Government Ministers, particularly those in the Treasury, making claims I believe misrepresent trends in taxation and the levels of tax that our country is subject to.

It is critical that discussion around the tax burden and the average worker’s tax bill are transparent and accurate, and that Politicians do not attempt to confuse the public for political gain.

I would welcome your view on the use of these claims, would be grateful for your verification of these figures, and look forward to your advice on the Government, and its Ministers’, continued use of them.

I look forward to your response.

With kind regards,



Dame Angela Eagle MP

⁵ https://obr.uk/docs/dlm_uploads/E03004355_November-Economic-and-Fiscal-Outlook_Web-Accessible.pdf - Page 11

⁶ "" - Page 76

⁷ <https://obr.uk/download/march-2023-economic-and-fiscal-outlook-charts-and-tables-chapter-4/>

⁸ <https://ifs.org.uk/articles/personal-taxes-are-rising-despite-nics-cut>

⁹ ""

¹⁰ ""

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