

This is a list of sources and resources used in the talk 'Are the rich paying their fair share of taxes?'

Experiment

The talk showed the results of an experiment. We asked people: Broadly, do you think the UK tax system is fair? The available answers were: Yes; No – rich people don't pay enough; No – rich people pay too much; I don't know. Participants were randomised into one of three groups.

- *Group 1* were just given the question.
- *Group 2* also received these two statistics:
 - The point at which income tax starts to be paid has increased in recent years. 4 in 10 adults now pay no income tax
 - The income tax system is top heavy. The top 10% of income taxpayers pay 60% of all income tax
- *Group 3* also received these two statistics:
 - The richest 10% of income taxpayers earn more income than the entire bottom 50%.
 - Someone earning £45,000 faces the same income tax on an extra £1 of earnings as someone earning £145,000

All statistics are true. The results, which are based on 127 responses, are shown below:

	Group 1	Group 2	Group 3	Total
Yes	16%	25%	8%	17%
No - too little	51%	33%	72%	50%
No - too much	11%	18%	13%	14%
don't know	22%	24%	8%	18%
Grand Total	100%	100%	100%	100%

Who pays income tax?

The underlying statistics and data can be found here: <https://www.ifs.org.uk/publications/9178> (Figure 3).

Who are the rich?

The income and wealth distributions are discussed in "If politicians talk about the rich, always ask who they mean" [IFS observation] <https://www.ifs.org.uk/publications/9193>

The quote from Ben Page, along with additional discussion from Helen on UK taxes, is from BBC Radio's the Briefing room: 'How Do We Pay for the UK?' - <http://www.bbc.co.uk/programmes/b08pgbvg>

Which taxes are fair?

The Yougov poll on fairness can be seen here: <https://yougov.co.uk/news/2015/03/19/inheritance-tax-most-unfair/>

How the tax and benefit system works

The taxes and benefits of the five example people were calculated using the IFS tax and benefit model. Assumptions available on request.

The 3 statistics on the UK tax and benefit system are drawn from:

1. <https://www.ifs.org.uk/publications/9178> (Figure 5).
2. Calculations based on ONS data (available here: <http://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/theeffectsoftaxesandbenefitsonhouseholdincomehistoricaldatasets/incometaxandbenefitdatabyincomededecileforallhouseholds/table14oecd.xls>)
3. Levell, Roantree and Shaw (2017) Mobility and the lifetime distributional impact of tax and transfer reforms IFS Working paper WP17/17

Additional resources

- There are short IFS videos that discuss:
 - **Where does the government get money from?** <https://www.youtube.com/watch?v=ckzEN8H3gGU&t=5s>
 - **Who is paying income tax?** <https://www.youtube.com/watch?v=TncEPIr2i-Y>
- Find out where you, or your family, fit into the income distribution here: <https://www.ifs.org.uk/wheredoyoufitin/>
- Learn more about options for taxing the rich here: https://www.ifs.org.uk/budgets/gb2013/GB2013_Ch9.pdf
- Read a discussion of issues in inherited wealth here: <https://www.ifs.org.uk/publications/8831>
- For those wanting more information about how the tax system works, there's a full survey of the UK tax and benefit system here - <https://www.ifs.org.uk/uploads/publications/bns/bn09.pdf> - and data on all the tax rates here: https://www.ifs.org.uk/tools_and_resources/fiscal_facts/
- For a discussion of multinational avoidance and what we can do about it, see 'Tax avoidance: problem solved or solutions just beginning?' <https://www.ifs.org.uk/publications/8702>