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Tax Freedom Day 2009 falls on 14 May [1]

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But you'll have to work until June 25 to pay off Brown's borrowing binge.

Tax Freedom Day, the day in the year when the average Briton has earned enough to pay his annual tax bill, will fall on 14 May this year. This means that for 135 days of the year, every penny earned by the average UK resident will have been taken to support government expenditures.

This is the earliest Tax Freedom Day since 1973 ? on the face of it, good news for taxpayers. But there is a downside: the traditional Tax Freedom Day measure only reflects the money actually raised by the government in taxes, not the full amount it spends. If the government deficit is factored in, Tax Freedom Day does not come until 25 June (the worst figure since 1984).

This gap between Tax Freedom Day based on actual revenues and Tax Freedom Day based on government spending is now the widest it has been since the early 1970s ? and possibly since World War II.

These figures indicate a bleak future for British taxpayers. Running up deficits can be described as a form of deferred taxation. The effect will be that when the economy recovers ? as it eventually will ? the UK tax burden is likely to rise much faster than would otherwise have been the case and Tax Freedom Day is likely to creep later and later in the year.

Moreover, the reason that Tax Freedom Day will arrive so early in 2009 is not so much that the tax burden has been dramatically reduced ? although the temporary reduction in VAT is certainly significant ? as it is that tax revenues have collapsed due to the sharp downturn in the economy.

Overall, our research doesn't give much cause for optimism. Under Gordon Brown's stewardship of the economy, the government's annual deficit went from near-balance in 1998 to more than 3% in 2007. And that was with the UK economy was growing strongly. Now the Chancellor is forecasting a 13.3% deficit. We'll be carrying the burden of these mistakes for years to come.

Click here[3]for more information about Tax Freedom Day.

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Links:
[1] http://www.adamsmith.org/blog/tax-and-economy/tax-freedom-day-2009-falls-on-14-may

[2] http://www.adamsmith.org/taxonomy/term/5808
[3] http://www.adamsmith.org/tax-freedom-day/
[4] http://disqus.com/?ref_noscript
[5] http://disqus.com