Published on *Adam Smith Institute* (http://www.adamsmith.org)

Tax Freedom Day 2011 [1]

Written by **Blog Editor** [2] | Monday 30 May 2011

Today is Tax Freedom Day ? the first day of the calendar year that Britons stop working for the state and start working for themselves. This year, we've worked for a full 5 months this year to pay their taxes, with every penny earned in the UK between January 1 and May 29 taken by the taxman to support government expenditure.

· Britons have worked 149 days to pay their taxes in 2011 ? three days longer than in 2010.

· Regional figures reveal that Londoners have to work the longest to pay off their income tax burden (51days) whilst the Welsh spend the least time paying their income tax (35days)

· UK income taxpayers would have to work for almost a year and a half with all their money going to the government to pay off our national debt.

This means that Tax Freedom Day, the day when people stop working for the government and start making cash for themselves, will come on May 30 in 2011 ? 3 days later than in 2010. The main reason for this is that the government has raised VAT, in order to help reduce the UK?s record budget deficit.

New calculations by the ASI also reveal the worrying extent of the UK?s debt. Our burden of debt is so great that UK income taxpayers would need to work for nearly a year and a half (525 days) - with their entire wage packet going to the government, and not a penny being spent on public services ? to pay off the national debt.

Dr Madsen Pirie, President of the Adam Smith Institute, identified the linkage between the lateness of Tax Freedom Day and the government?s attempt to tackle the deficit and UK debt: ?The last government left an appalling legacy. Its reckless spending has driven Britain into record levels of debt that threaten the lives and happiness of future generations. Bringing down that debt has to be an absolutely urgent priority. However it isn?t enough to merely cut spending. We need targeted tax cuts to encourage economic growth.?

Sam Bowman, Head of Research, added: ?Tax Freedom Day underlines the huge burden of government on working people?s lives. For five months of the year, we are slaves to the state. No wonder growth is so slow ? we need robust tax reform now, bringing lower, simpler, flatter taxes. The government should resolve to make Tax Freedom Day something we can celebrate earlier and earlier each year.?

Note: Using the Treasury's most recent revised figures, Tax Freedom Day was revised back to May 28th in 2011. These revisions are unavoidable and we always strive to use the most recent official data available.

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