

Tax Freedom Day 2013 is May 30th



What is Tax Freedom Day?

Tax Freedom Day answers the very basic question: ?how much are Britons actually paying for government?? It is the day when average Britons stop working for the Chancellor and start working for themselves.

When is Tax Freedom Day in 2013?

This year tax freedom day falls on **30th May**. That is, for 150 days of the year every penny earned by the average UK resident will be taken by the government in tax.

How is it calculated?

It is calculated by comparing general government tax revenue with Net National Income (NNI). The total of all government tax revenue ? direct and indirect taxes, local taxes and National Insurance contributions ? is calculated as a percentage of NNI at market prices. This year it comes to 41.5%. That percentage is then converted to days of the year, starting from 1 January. The first day of the year that Britons work for themselves rather than the taxman is Tax Freedom Day.

When has it fallen in the past?

It has varied quite significantly over the past few decades. In the 1970s it tended to fall in late May, before rising to the latest date on record in 1981 (20th June). It fell throughout the 1980s to a low of 20th May in 1993 before rising again to a 24 year high of 3rd June in 2001. Tax Freedom Day over the last ten years:

<i>Year</i>	<i>TFD date</i>
2004	26 May
2005	27 May
2006	1 June
2007	29 May
2008	27 May
2009	24 May
2010	28 May

2011	29 May
2012	28 May (29th ex. leap year)
2013	30 May

Why is it later than last year?

Tax Freedom Day falls one day later than it did in 2012. Because of updates to the Treasury's figures, Tax Freedom Day 2012 is now revised to 28th May (but this was a leap year, so equivalent to 29th May). This change is not statistically significant but it shows that the government is not taking major action to reduce the proportion of the economy taken by the taxman.

Cost of Government Day 2013 ? the day the government stops *spending* money ? will be 13th July. In 2012, it was 15 July (but see above).

We assume the government gets its forecasts right and that financial year growth of revenues, GDP and expenditure are equivalent to calendar year. We assume that GNI grows at the same pace as GDP and that NNI is unchanged relative to GNI.

For cost of government day, we use total managed expenditure.

All figures are sourced from the Office of National Statistics. [Completed figures](#).^[1]

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