

Peter Giles, Esq.,  
29 Acacia Avenue  
Downstaple  
RD2 3PO

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### About this Tax Statement

This is your annual Tax Statement. It explains how much you paid in direct taxes in the last tax year (6<sup>th</sup> April 2009 – 5<sup>th</sup> April 2010) and how those taxes were spent. The Tax Statement also shows how much you will pay in tax and how your taxes will be spent in the next tax year (6<sup>th</sup> April 2010 – 5<sup>th</sup> April 2011), assuming your income remains the same.

Direct taxes are the taxes you pay directly out of your wage or salary: Income Tax (including Pay As You Earn – PAYE) and National Insurance.

You also pay indirect taxes, such as VAT, Stamp Duty and Excise Duty, which depend on how you spend your money. Indirect taxes are not included in this Tax Statement. If you pay Council Tax you will receive a separate statement from your local council explaining how much you have paid and how the money has been spent. Some services, like fire and police, are paid for both by your direct taxes and by your Council Tax.

You can find out more about how your taxes are spent and how much you will pay if your income or circumstances change by going to [www.mytaxstatement.gov.uk](http://www.mytaxstatement.gov.uk). The website will also provide an estimate of how much you pay in indirect taxes.

### What you pay the government in direct taxes

In the tax year 2009-10 you earned £26,000 in income and paid £5,979 in direct taxes: £3,805 in Income Tax and £2,174 in National Insurance.

Assuming you earn the same as last year, in the tax year 2010-11 you will pay £5,958 in direct taxes: £3,705 in Income Tax and £2,253 in National Insurance.

### Your contribution to government services

Your Tax Statement explains how your taxes were spent last year and how they will be spent in the year ahead. Changes in the amount the government borrows and the way it spends your taxes mean that increases and decreases in your personal contribution to particular items of government spending will not precisely reflect increases and decreases in total government spending on particular services.

### How this Tax Statement is calculated

Your statement has been calculated using information provided by you and / or your employer on the Income Tax and National Insurance you have paid. Figures for government spending have been provided and independently assessed by the Office for National Statistics and the Office for Budget Responsibility.

### Your interest payments on the National Debt

Last year (2009-10) the government spent £145.4 billion more than it received in taxes. This means that the National Debt increased to £760.3 billion. These loans are owed to people, institutions, businesses and governments around the world, on which we must interest. Last year's interest on the National Debt was £31.3 billion, of which your contribution was £291.

Next year (2010-11) the government plans to spend £139.4 billion more than it raises in taxes. This means the National Debt is expected to increase to £905.3 billion. The interest bill on the National Debt is expected to be £44.1 billion, of which you will pay £395, assuming your income stays the same.

The government has other future liabilities that will have to be met but these are not included in this calculation. For further information on the government's debts and your share of them please visit [www.mytaxstatement.gov.uk](http://www.mytaxstatement.gov.uk).

# Peter Giles's Tax Statement 2011

	2009-10	2010-11
<b>Benefits &amp; Pensions</b>	<b>£2,080</b>	<b>£2,074</b>
Housing Benefit	£212	£220
pensions (incl. public sector pensions)	£775	£780
personal support services	£283	£276
Income Support, Tax Credits & Child Allowance	£408	£401
Job Seekers Allowance	£51	£47
incapacity & disability benefits	£296	£300
other	£54	£50
<b>National Health Service</b>	<b>£1,094</b>	<b>£1,078</b>
<b>Education</b>	<b>£824</b>	<b>£811</b>
early years	£45	£44
schools	£573	£581
further & higher education	£125	£122
other	£81	£64
<b>Public Protection</b>	<b>£658</b>	<b>£627</b>
defence	£339	£325
police & civil defence	£160	£154
fire	£29	£28
immigration & border control	£20	£16
courts, Legal Aid, prisons & probation	£106	£100
other	£3	£3
<b>Government</b>	<b>£251</b>	<b>£220</b>
executive, parliaments, council administration	£250	£192
European Union (net contribution)	£1	£28
<b>Transport</b>	<b>£211</b>	<b>£205</b>
roads	£92	£83
railways	£71	£68
local public transport & other	£48	£54
<b>Industry &amp; Economy</b>	<b>£140</b>	<b>£141</b>
food, farming & fisheries	£51	£47
research & development	£59	£69
other	£30	£25
<b>Housing</b>	<b>£150</b>	<b>£123</b>
social housing	£100	£78
planning and regeneration	£35	£31
other	£16	£14
<b>Recreation, Sport &amp; Culture</b>	<b>£128</b>	<b>£124</b>
sport, parks & beaches	£50	£49
culture	£41	£40
broadcasting & publishing	£35	£33
other	£2	£2
<b>Waste &amp; Environment</b>	<b>£98</b>	<b>£104</b>
waste disposal	£62	£64
environmental protection	£36	£39
<b>Overseas Aid</b>	<b>£53</b>	<b>£58</b>
<b>Debt Interest</b>	<b>£291</b>	<b>£395</b>
<b>Total</b>	<b>£5,979</b>	<b>£5,958</b>

## Summary

Your income in 2009-10 was:

**£26,000**

Your total direct taxes in 2009-10 were:

**£5,979**

*and assuming your income remains the same*

Your total direct taxes in 2010-11 will be:

**£5,958**