

SUMMARY REPORT

Total Tax Contribution study for UK legal and accounting activities 2021

Summary

Our biennial Total Tax Contribution (TTC) research estimates the contribution of UK legal and accounting activities to the UK public finances. Combining data provided by firms participating in our survey with government data, our research estimates the total taxes borne and collected by UK-based legal and accounting firms.

Key findings



The TTC of legal and accounting activities in 2020 was
£20.5bn

5.4%

TTC has increased, on a like-for-like basis, by 5.4% over 2018-2020

3.1%
GVA

The average annual growth rate for legal and accounting GVA was 3.1% over 2011-20, while UK GVA rose by an annual average of 0.6% during that period

Legal and accounting activities, together with financial services, contributed an estimated £96.1bn in taxes borne and collected in 2020, accounting for 12.9% of total UK receipts



34%

34% of turnover and 55% of profits are paid and collected in the form of taxes



The UK government was the largest beneficiary of value distributed by study participants, with 47% of value distributed going to the government in taxes borne and collected



£30,004

The average wage for the study participants, which broadly comprise the largest firms, was £77,002. For every employee in the study (98,803), an average of £30,004 was paid in employment taxes

The impact of Covid-19



15 companies provided a response in their Covid-19 questionnaires.



Only **2** out of the 15 made use of the Coronavirus Job Retention Scheme.



1 out of the 15 had redundancies which were directly related to the pandemic.



13 out of the 15 companies maintained the same level of graduate recruitment.



£7,540,700 of additional money was spent as charitable donations during the pandemic.

Conclusion

The overall TTC of legal and accounting activities is significant to the UK economy and accounts for £20.5bn in taxes borne and collected. It is growing, up by 5.4% between 2018 and 2020, on a like-for-like basis. The TTC represented 2.8% of total government receipts in 2020.

The strength of the sub-sector has wider benefits for the UK economy as a whole. Legal and accounting activities are a fundamental part of the UK's internationally competitive ecosystem of financial and related professional services. Legal and accounting activities, together with financial services, contributed an estimated £96.1bn in taxes borne and collected in 2020, accounting for 12.9% of total UK receipts. The extent of the contribution to the public finances, coming from just 2.3% of the UK workforce, continues to be an indicator of the high-value jobs and the relatively high productivity of the sector, attributes which leave it well placed to contribute to the wider economic recovery as the UK leaves behind the scarring effects of the pandemic.

For more information [read the full report here](#)