



HM Revenue  
& Customs

Jim Harra  
Permanent Secretary and Chief Executive

Dame Meg Hillier  
Chair of the Public Accounts Committee  
House of Commons  
Committee Office  
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22 June 2023

Dear Dame Meg,

**Measuring tax gaps 2023 edition: tax gap estimates for 2021 to 2022**

I am writing to let you know that HMRC has today published 'Measuring tax gaps: 2023 edition'. This includes our estimate of the tax gap for tax year 2021-2022. The full report on the subject is now available on GOV.UK:

<https://www.gov.uk/government/statistics/measuring-tax-gaps>

The report shows that the tax gap is estimated to be 4.8%, or £35.8 billion, of total theoretical liabilities in 2021-22.

Today's report shows that we successfully bring in more than 95% of all tax due (£739 billion for 2021-22). This money pays for the UK's essential public services and gives financial support to millions of families.

The tax gap reduced from 7.5% in 2005-06 to 4.8% in 2021-22. Between 2017-18 and 2021-22 the overall percentage tax gap has remained low and stable. This is a result of the government's action to help taxpayers get their tax right first time, whilst bearing down on the small minority who are deliberately non-compliant.

We are the only tax authority in the world that measures and publishes an annual tax gap covering a single tax year for all the taxes, levies and duties it administers. UK tax gap estimates go back every year to 2005-06. We publish the tax gap because we believe that it is important to be transparent in our work.

The tax gap helps us build trust with the public by providing them with important information on tax compliance while giving us the insight we need to focus our work where it can make the most difference: making things easier for taxpayers and preventing non-compliance before it can occur.

Because of the limited number of countries who publish detailed comprehensive estimates, we cannot compare all countries. However, where tax gap data is published, the UK compares favourably.

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Information is available in large print, audio and Braille formats.  
Text Relay service number – 18001



I hope you find this information useful. Should you have any queries about the latest tax gap estimates, please do get in touch.

Kind regards,

A handwritten signature in black ink, appearing to read 'J Harra', with a stylized, cursive script.

**Jim Harra**  
**PERMANENT SECRETARY AND CHIEF EXECUTIVE**