Inheritance Tax Statistics 2014-15

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1. Summary

This publication contains information about Inheritance Tax (IHT) in the UK. It includes information on Inheritance Tax receipts, on which estates pay Inheritance Tax, on the use of tax reliefs and exemptions and on the asset composition of estates left on death.

Receipts data are available for the 2016-17 tax year as this information is based on payments received by HMRC. Other data relating to the composition of estates, to the use of reliefs and to the tax due on estates is provided for estates passing on death in 2014-15. The delay is due to both the six month lag from date of death to when the IHT becomes due and subsequent time lags while the data from tax returns is prepared for analysis on HMRC’s databases.

The estates represented by the statistics are limited to those for which a grant of representation is required and do not represent estates from all deaths. A grant of representation is issued by the courts to appoint an executor so that an estate can be distributed. In England, Wales and Northern Ireland this is likely to be a grant of probate (if there is a will) or letters of administration (if there is no will), while in Scotland it is likely to be a confirmation of executors. Such estates represent about half of all deaths. A grant of representation may not be needed for low-value estates (generally those estates worth less than £5,000, though this figure can vary) or for estates which were held in joint names and which pass to the surviving spouse or civil partner. See https://www.gov.uk/wills-probate-inheritance for further information.

Inheritance Tax receipts were around £4.9 billion in 2016-17, an increase of 4% compared to 2015-16. This is substantially lower than the 22% growth observed from 2014-15 to 2015-16. The increased rate of annual growth from 2014-15 to 2015-16 reflected an uncommonly high number of deaths in the months leading up to 2015-16. The ONS estimated that over the winter of 2014-15 there were an estimated 43,900 excess winter deaths, compared to 2015-16 when the excess winter deaths was back in line with average trends at 24,300. Due to the six month lag after the date of death when IHT becomes due, the impact on receipts of the increased number of deaths in the latter part of 2014-15 was observed in 2015-16.

Properties, household savings and securities make up the bulk of most taxpaying estates and hence changes in receipts and liabilities also tend to reflect any trends or fluctuations in these economic indicators. The recent year-on-year rise in receipts therefore also reflects the upward trend in the values of assets such as residential property and some securities since the recession, as well as the Nil Rate Band being frozen at £325,000 from April 2009.

The 284,756 estates issued a grant of representation in 2014-15 account for approximately 48% of all deaths in that year. Of these estates, 23,250 were liable to inheritance tax, an increase of 21% compared with 2013-14 and due to a combination of the high number of deaths in 2014-15 and the more general reasons given above. In line with this, the total IHT liability has increased by 25% to £4,214m from 2013-14 to 2014-15.

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¹https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortalityinenglandandwales201415provisionaland201314final
Approximately 3.9% of all deaths in 2014-15 led to an IHT charge. This figure is higher than the 3.4% of deaths which led to an IHT charge in 2013-14 or the 3.1% of deaths that led to an IHT charge in 2012-13, although lower than the percentage of deaths resulting in an IHT charge in the period before 2007-08.

Background information on Inheritance Tax including technical terms used in the commentary on the statistics in this document, the methodology used to compile these statistics and HMRC’s disclosure control rules are set out in Sections 3, 4 and 5 respectively. Readers accessing these statistics for the first time may find it helpful to begin with these sections.

2. **New or updated statistics in this release**

This publication contains new tables of Inheritance Tax Statistics for the year 2014-15 alongside new receipts data for 2016-17. The new tables released and links to these are given below:

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Table 12.9 shows the distribution of the value of bequests by sex and marital status of deceased and relationship to beneficiary. This was produced as a one-off table many years ago and has not since been updated.

The one-off map showing, by Parliamentary Constituencies, which regions of the UK have had the highest and lowest number of IHT liable estates in the five year period 2009-10 to 2013-14 has not been updated to include 2014-15 data. This map is included with table 12.12.

Analysis of receipts

Figure 1 shows Inheritance Tax (IHT) receipts from 2000-01 to 2016-17. Until 2007-08 IHT receipts had been climbing steadily, reflecting increases in asset prices over this period. However, receipts declined significantly in 2008-09 and 2009-10 (Table 12.1). This was partly due to policy changes but was also a consequence of falling house prices in the second half of 2008 and through most of 2009. The key policy change was the introduction of the transferable nil rate band whereby any unused nil rate band from the first death within a marriage or civil partnership could be claimed against the estate on the second death. Although the policy became effective in October 2007, the six month lag between a death occurring and an IHT return having to be filed meant its impact was largely from April 2008 onwards.

IHT receipts have increased year-on-year since 2009-10, on average by 11% each year. This is primarily because of rising asset values. Each year, residential property makes up approximately a third of the total value of taxpaying estates and the ongoing rise in property prices has contributed to a rise in overall tax take. At the same time, as the average value of estates rises, an increasing number of estates will now be valued over the IHT threshold (or nil rate band), which has been frozen at £325,000 since April 2009. Thresholds are published on HMRC’s website.

Inheritance Tax Receipts

IHT receipts in 2016-17 were £4,840 million: 4% higher than in 2015-16. Without adjusting for inflation, this is the highest that IHT receipts have been since the current Inheritance Tax system was introduced in March 1986. The increase is a result of the general factors described above, but is substantially lower than the 22% increase from 2014-15 to 2015-16. The larger increase in receipts in this period were driven by a significant increase in the number of deaths in the final months of 2014-15, compared to the number of deaths in the same period in previous and subsequent years. Due to the six month lag between the date of death and when IHT becomes due, deaths in the latter part of the tax year will impact receipts in the following tax year.

According to the latest figures published by the ONS, NRS and NISRA, there were 210,610 deaths in the period December 2015 to March 2016, as opposed to 228,603 deaths in the period December 2014 to March 2015. This was a reduction of 8%. For comparison, there were 198,222 deaths between December 2013 and March 2014.

Official Statistics showing the number of estates with liabilities on death are published separately by HMRC twice a year as part of the Numbers of Taxpayers and Registered Traders release. These statistics include provisional figures for more recent years. The figures also include the number of estates liable to capital transfer tax and estate duty in earlier years. These historic statistics show how the percentage of deaths resulting in an IHT liability has changed over time.

Figure 1 Inheritance Tax Receipts

Table 12.4 shows the composition of all estates for which information was provided to HMRC on tax returns for 2014-15 deaths, grouped both by size of estate and by type of asset. The composition of estates varies depending on the value of the estate (see

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4 Note that the 2015-16 total includes some provisional figures.
Figure 3). For example, in the lower value estates, a larger proportion of the estate is held in cash and to a lesser extent residential property. As the value of the estate increases, the proportion of cash decreases and residential property increases. However, as the estate value increases further, the proportion of securities increases at the expense of both residential property and cash.

The second part of Table 12.4 shows the composition of estates by range of inheritance tax due. Figure 4 - which also covers 2014-15 deaths for which information was provided to HMRC on tax returns - shows that the same patterns are evident in this table. However as the large majority of estates are not taxpaying the compositional patterns are closer to the higher end of the value by estates.
The average net capital value of those estates passing on death in 2014-15 which were liable to an inheritance tax charge was around £983,000 compared to an average net capital value of around £289,000 for all estates requiring a grant of representation. (There are many estates which don’t require a grant of representation which are not included in the figures – see the later section on methodology.) Figure 5 gives a more detailed breakdown of the types of assets owned by estates.
One of the more noticeable differences between the charts for estates requiring a grant of representation and those with an IHT liability is in the amount of securities held by the latter group. Estates which were liable to IHT held an average of £280,000 in securities compared to an average of £45,000 for all estates requiring a grant of representation. UK residential buildings account for 52% of the gross capital value of the average estate requiring a grant of representation, but for only 40% of the value of the average taxpaying estate.
Figure 6 shows the asset composition of all estates requiring a grant of representation over time, while Figure 7 shows the asset composition all estates for which an inheritance tax charge was due.

Overall, there has been little change over time in the asset composition of estates between 2009-10 and 2014-15.
Table 12.5 shows how the split of the asset types varies according to gender and age. In general there seems to be little difference in the distribution of assets between the two genders, though the average male’s estate may tend to include a greater proportion of assets other than cash or residential buildings. The average male had an estate worth £306,000 while the average female had an estate worth £274,000. The table records around 152,000 estates passing on death in 2014-15 where the deceased was female and around 133,000 estates passing on death where the deceased was male. This reflects the fact that males are more likely to be survived by a spouse and so less likely to require a grant of representation.

There are more obvious differences between the compositions of estates passing on death for different age groups. Figure 8 shows how the asset composition changes as age increases. The most noticeable shift is from insurance policies to cash as the age of the deceased increases.

![Composition of estates across age groups, 2014-15](image)

**Figure 8 Distribution of assets in estates across age groups**

Table 12.6 shows the same data as Table 12.5 except limited to taxpaying cases only. The average male-owned estate liable to IHT had a net value of £1,052,000 and had a tax liability of £181,000. The average female-owned estate liable to IHT had a net value of £931,000 and also had a tax liability of £181,000. In general, female-owned estates tend to have higher tax liabilities than males because males are more likely to predecease a spouse and therefore claim spouse relief.

**Number of taxpaying estates and tax due**

The data on 2014-15 deaths has been combined with historic data for deaths in previous years to produce Table 12.3. This table shows the changing numbers of tax-liable estates passing on death by estate size, and the tax due for these estates, over a period of several years.

The pattern of this change is shown in Figure 9. There was a large fall in the number of IHT liable estates left on death in the under £500,000 size band between 2007-08.
and 2008-09. As discussed earlier, this is largely due to the introduction of the transferable nil rate band (as well as to inflation-linked threshold increases). The numbers of IHT liable estates has been rising since 2009-10 in each of the bands over £500,000.

In 2007-08 the median IHT liable estate was in the under £500,000 band, but in all subsequent years the median IHT liable estate has been in the £500,000 to £1,000,000 band.

![Number of estates for which tax is due, by estate band (2007-08 to 2014-15)](chart)

**Figure 9 Number of estates for which tax is due by estate band**

The trends in the average tax due by estate value band can be seen in *Figure 10*. The average tax liabilities within each value band have increased between 2013-14 and 2014-15. Most notably, the average tax liability of estates valued over £2m has increased by 20% and this may be due to increases in the value of assets in the larger estates.

While the numbers of estates liable to tax has increased overall since 2008-09, the average tax liability remained roughly constant within each estate band up to 2013-14. This is partly due to the use of exemptions and reliefs, which mean that even estates with a net value above £2 million may have no inheritance tax liability. In 2014-15, 31% of all estates with a net value over £2 million had no tax liability (reduced from 38% in 2013-14).
Use of Exemptions and Reliefs

Table 12.2 describes the use of exemptions and reliefs by estates (where a grant of representation has been issued) for which the value of the estate lies above the nil rate band (including any transferable nil rate band allowance due). The values shown for reliefs set against assets are the amount of the relief claimed, not the impact on an estate’s tax liability. For example, consider a hypothetical estate with assets worth £350,000. Assuming that the estate claimed no exemptions or reliefs and did not qualify for the transferable nil rate band, the estate’s chargeable value would be £350,000 less the full value of the nil rate band (worth £325,000) and so the estate’s tax liability would be £10,000. A claim of £25,000 in spouse exemption (for example) would reduce the chargeable value of the estate to zero, and so remove any tax liability. However, the actual value of exemptions and reliefs claimed could be as high as £350,000.

Estimates of the Exchequer costs of exemptions and reliefs are also published by HMRC\(^5\). The two sets of figures are not directly comparable as the costs to the Exchequer arise after the relevant IHT rate has been applied and depend on the extent to which the claims for the reliefs and exemptions are effective in reducing IHT liabilities for estates.

The table shows that, of all estates requiring a grant of representation in 2014-15, 45,383 had a net value above the nil rate band (including any transferable nil rate band allowance due). Of these, 35,390 benefitted from the nil rate band which either took them out of IHT or reduced their IHT liabilities; the remaining 9,993 would not have had liabilities even without the nil rate band. This is because estates claiming exemptions or reliefs on the whole value of their estates (for example, for transfers to a spouse or to charity) are not chargeable to IHT and therefore do not benefit from the

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nil rate band. For context, Table 12.2 also shows the number of estates benefitting from the nil rate band which had a net value below the nil rate band threshold. The table shows that in 2014-15 219,944 estates below the threshold benefitted from the nil rate band. This means that a total of 255,334 estates benefitted from the nil rate band. Note that this is less than the total number of estates requiring a grant of representation in 2014-15: this number was 284,756 in 2014-15 according to Table 12.3. As above, this is because estates claiming exemptions or reliefs on the whole value of their estates are not chargeable to IHT.

Figure 11 Reliefs and exemptions claimed by estates over the threshold
Table 12.2 shows that 37,195 estates requiring a grant of representation in 2014-15 either avoided any IHT charge or had a reduced IHT charge as a result of the transferable nil rate band. All of these estates will also have benefitted from the nil rate band itself.

*Figure 11* shows the number of estates reliefs and exemptions against assets for estates passing on death in 2014-15. As the figure shows, the number of estates claiming exemption for transfers to a spouse or civil partner was significantly higher than the numbers claiming other reliefs or exemptions. Spousal relief accounted for 61% of all relief and exemptions set against assets in 2014-15. The total value of reliefs and exemptions claimed was just over half the total value of these estates not already covered by the nil rate band or transferable nil rate band. Details of the various reliefs are described later in this report and on pages 74 to 76 in the notes on completing the IHT return. *Figure 12* shows the value of relief being claimed against assets in 2014-15.

![Reliefs and exemptions set against assets (2014-15)](image)

*Figure 12 Value of reliefs and exemptions in 2014-15*

Table 12.2 also shows that an estimated 1,558 estates passing on death in 2014-15 benefitted from the reduced 36% IHT rate that is available for estates where at least 10% of the value of the estate (after deductions for liabilities, reliefs and exemptions other than the charity exemption) is left to qualifying charities. This was about 6.7% of all the deaths in 2014-15 which resulted in any IHT charge. In 2013-14, about 9.3% of all estates liable to IHT were charged at this reduced rate. As a result of paying tax at 36% rather than the normal 40%, estates passing on death in 2014-15 were able to reduce their tax liabilities by £33 million (up from £28 million in 2013-14).

**Regional breakdown of numbers of taxpayers and receipts**

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Tables 12.10, 12.11 and 12.12 are Official Statistics accompanying the release of these National Statistics. They show the number of estates liable to tax (and the total tax liability) by region. These tables have been produced each year since 2010.

Figure 13 Tax due and number of liable estates by region
Figure 14 Map showing level of IHT liable estates in the period 2009-10 to 2013-14
For the first time last year we produced a map that shows which regions of the UK have tended to have the most IHT liabilities over the five years since 2009-10. A PDF version of this map is also available. This map has not been updated to include 2014-15 data.

*Figure 13* shows a breakdown of the total value of tax due and the number of estates liable to tax by geographical region over the period 2010-11 to 2014-15. Patterns in this data will partly reflect differences in the number of deaths between areas. The highest number of estates liable to tax and the highest levels of IHT liabilities are for estates in the South East and London followed by the South West and the East of England. The data for these figures is taken from Table 12.10; Table 12.11 and Table 12.12 each give more precise geographical breakdowns (by Local Administrative Units and by UK Parliamentary constituencies, respectively).

These figures also give an indication of the variation between regions in the average amount of tax due per taxable estate. In 2014-15, the average (mean) IHT due per taxpayer was £233,000 in London and £183,000 in the South East of England as compared to £116,000 in Wales and £138,000 in the North East of England. This is, at least in part, because of the higher house prices found in the first two regions.

**Assets held in taxpaying discretionary trusts**

Inheritance Tax is due on assets within certain trusts every ten years (at each ten year anniversary) as well as when liable assets are transferred into or out of a trust.

*Figure 15* shows the number of discretionary trusts paying ten-yearly IHT charges for each year from 2006-07 to 2015-16, and the net capital value (in £millions) of these trusts. More details about how ten-yearly IHT charges for trusts are calculated can be found online at [https://www.gov.uk/trusts-taxes/trusts-and-inheritance-tax](https://www.gov.uk/trusts-taxes/trusts-and-inheritance-tax). Some volatility around these figures is to be expected due to relatively small numbers and because ten-yearly charges are due for different trusts in different years (*Table 12.8*); this may be the reason for the unusually high number of trusts paying IHT in 2007-08.

*Table 12.7* gives details of the number of trusts with ten-yearly IHT charges and the value of the assets in these trusts, broken down by year of the ten-year anniversary charge and range of net chargeable value. Table 12.8 gives more details of the types of assets held in such trusts, as well as the total net chargeable value and net tax due from such trusts. Securities held in trust represent the largest single asset type over the whole period shown. They accounted for around 61% of the total gross value of all assets held in trusts with ten-yearly charges in 2015-16 for which assessments have so far been made. More details are shown in *Figure 16*.

The figures for 2015-16 in tables 12.7 and 12.8 are provisional and are likely to increase in subsequent publications as more information becomes available.
Figure 15 Taxpaying discretionary trusts reaching their ten yearly charge date

Figure 16 Composition of assets in taxpaying trusts
3. Information about Inheritance Tax

Background
Inheritance tax was introduced in 1986. It replaced Capital Transfer Tax which had been in force since 1975 as a successor to Estate Duty.

Inheritance tax (IHT) is levied on:
- the assets (less deductible liabilities) of deceased persons transferred on death;
- gifts made within 7 years of death or, made at any time, when there is a reservation of benefit which continues within 7 years of death: such transfers become chargeable at the time of death;
- gifts by individuals to discretionary trusts or other relevant property trusts, or to companies; such transfers are chargeable at the time the gift is made.

For property in discretionary trusts and other relevant property trusts, there is a charge on the tenth anniversary of the creation of the trust and every subsequent tenth anniversary. Property leaving such trusts is also subject to an IHT charge. Details of these rules and other aspects of IHT are given in the HMRC Inheritance Tax Customer Guide.

Assets are valued at the price that they might reasonably be expected to fetch if sold in the open market at the time of the transfer. In the case of a transfer by gift, the value is the amount by which the gift reduces the transferor's estate. If in lifetime the transferor bears the tax due on the transfer, the loss to the estate will include the tax.

The values of some assets transferred on death may be reduced if they are sold for a lower amount within a specific period. Different time periods apply to listed securities, unit trusts and to land and buildings.

Rates and Thresholds
The rates of IHT are shown in the table 'Inheritance Tax and Capital Transfer Tax thresholds and rates' (Appendix A8) together with the lower limits for the various rate bands in earlier years. Since 1988 a flat rate has applied above a threshold which is indexed for inflation, unless Parliament decrees otherwise. The value of the estate up to the threshold is known as the "nil rate band". Since October 2007, any unused nil rate band from a late spouse or civil partner can be transferred for the use of the second spouse or civil partner when they die. This is known as the "transferable nil rate band". This means that the second partner's effective nil rate band can potentially be as much as twice the standard threshold, depending on the circumstances.

From April 2017 an additional inheritance nil-rate band is available when a residence is passed on death to direct descendants. The impact of this new residence nil rate band on IHT receipts will first be recorded in these statistics after the July 2018 update.

The amount of IHT payable on a transfer depends on the cumulative total of transfers (other than exempt transfers) over the previous 7 years. This applies to transfers made on death as well as to lifetime transfers which are immediately chargeable or which become chargeable on death. No tax is payable on the part of the cumulative total below the threshold. Currently tax is charged at a single rate of 40 per cent on the amount above the threshold for transfers on death and within 7 years before death, and at half this rate for transfers which are immediately chargeable during lifetime. From 6th April 2012, all taxpaying estates which leave at least 10% of their net value

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7 https://www.gov.uk/topic/personal-tax/inheritance-tax
after deductions for the nil rate band (including any transferable nil rate band), liabilities, reliefs and non-charity exemptions to a qualifying charity qualify for a reduced IHT rate of 36%.

The tax on land and buildings, control holdings of shares, unlisted shares and securities, and businesses may be paid by instalments over 10 years. However, if the asset is sold then the tax outstanding becomes immediately payable. The tax may also become immediately payable in some other circumstances.

**Exemptions**

Not all transfers are subject to IHT. The main exemptions include:

- transfers between spouses and (from 5 December 2005) civil partners (subject to some limitation if the transferee is domiciled abroad);
- transfers to charities;
- an annual exemption for lifetime gifts not exceeding £250 to each recipient and for the first £3,000 of lifetime gifts not otherwise exempt.

**Reliefs**

Subject to certain conditions, the value of agricultural property and business assets, including unlisted shares or securities, is reduced by 100 per cent or 50 per cent, according to the nature of the interest transferred, and tax is assessed on the reduced value. Before 10 March 1992, the rates of relief were 50 per cent and 30 per cent respectively.

Where tax is payable on the death of a person who received property within 5 years under a chargeable transfer, the tax payable on the second occasion is reduced.

Similar relief also applies to a lifetime charge on the termination of an interest in possession in settled property.

The tax payable may also be reduced by double taxation relief. If death duties are paid in another country on property situated there the foreign duty may be deducted from any United Kingdom tax on the same property.

**Deferred payment**

Tax payments may be deferred in respect of:

- Heritage property qualifying for conditional exemption. The exemption will be lost if the property is sold or the owner fails to observe the conditions of the exemption. If the owner makes a gift of the property or dies, tax may be payable unless exemption is again claimed.
- Timber transferred on death. Tax only becomes payable if timber is sold or disposed of before it is transferred again on another death.
4. Methodology

Transfers on Death

Information must be provided to HMRC in respect of all estates for which a grant of representation (i.e. probate or letters of administration in England and Wales and Northern Ireland or Confirmation of executors in Scotland) is required, not just those estates which are taxpaying. The statistics are based on probate data and the various IHT returns, primarily the IHT400\textsuperscript{8} returns for those estates likely to be taxpaying and the IHT205\textsuperscript{9} returns for those that are not taxpaying.

For statistical purposes a sample of each of the types of estates described above is taken and data are extracted from the information provided.

A grant of representation may not be needed for low-value estates - generally worth less than £5,000 (though this figure can vary) – or estates which were held in joint names and which pass to the surviving spouse/civil partner (more information is available from the GOV.UK website\textsuperscript{10}). Such estates represent just over half of total deaths in a given year. Their omission from the statistics has no implications for estimates of the numbers of taxpayers or tax due, as they are not taxable estates. However, this does impact the total value of assets held at death. Although some of these estates are of a low value, others will be of an indeterminate value as jointly held assets could be of any value.

There are sometimes delays in settling the values of estates and obtaining payment of the full tax due. Some estates therefore are missing from the statistics. Because of these delays, the latest year of death for which detailed analyses of assets and exemptions are given is 2 full financial years before the date of publication. (So tables published in July 2017 cover financial year 2014-15). This helps to reduce the extent to which estates left on death are not included in the statistical tables.

A stratified sample is taken based on the type of the estate for Inheritance Tax purposes, the size of the estate and the age of the person passing the estate on death. This allows us to use higher sampling rates for the larger estates and also the younger ages of death, which will help reduce the variability of the data. The estates are grossed up based on their sampling rate.

Other Transfers

The data on assets in discretionary trusts and other relevant property trusts are obtained from the accounts on which the ten-yearly charge is paid. Because of delays in submitting accounts and agreeing values, complete information is not available for some time after the 10 year anniversary. The data for more recent years in particular are, therefore, less complete than for earlier years and may be revised upwards when further updates to Tables 12.7 and 12.8 are made in future years.

Geographic breakdowns

The data for splits by geographical areas for taxpayer numbers and tax liabilities has been obtained from a download of postcodes for all estates with a tax liability greater

\textsuperscript{8}https://www.gov.uk/government/publications/inheritance-tax-inheritance-tax-account-iht400


\textsuperscript{10}https://www.gov.uk/wills-probate-inheritance
than zero with a year of death in 2014-15. These postcodes have been matched to the geographical areas to give a count of the number of taxpaying estates in each area. The geographies used are administrative Government Office Regions, and the Nomenclature of Units for Territorial Statistics (NUTS) level 3 and Local Administrative Units (LAU) level 1 as defined by Eurostat. Additionally, following several requests, we have also included a breakdown by Westminster Parliamentary Constituencies. A full list of geographic regions can be found on the Office for National Statistics\textsuperscript{11} website.

About 13\% of cases where information was provided to HMRC on tax returns about estates with a tax liability had either missing postcodes or invalid postcodes that could not be mapped to the geographies used here. These were proportioned across the other constituencies according to volume.

Definitions

The following definitions are used in the tables:

Net capital value - The net capital value of the estate is the sum of all assets, including settled assets in which there is a change of the interest in possession on the death, minus the sum of all liabilities including funeral expenses.

Net estate - The net estate is the net capital value plus the value of any lifetime transfers made within the cumulation period.

Net chargeable value - The net chargeable value is the net estate minus the sum of any exemptions and reliefs set against assets.

Reliefs set against assets – The majority of IHT reliefs, including Agricultural Property Relief and Business Property Relief, are used to reduce the chargeable value of the estate before any tax due is calculated.

Relief against tax – A small number of IHT reliefs, including double taxation relief and quick succession relief, are used to reduce the amount of tax due after it is first calculated.

Tax chargeable - The tax chargeable is the amount of tax calculated by applying the appropriate tax rates to the net chargeable value.

Tax payable – The tax payable is the tax chargeable minus any reliefs against tax.

5. Disclosure control

Where the underlying population in a cell is particularly low, the data has not been published due to the small sample size to prevent any individual estates being identified.

For the tables which show taxpayer numbers by geographic area, to avoid the possible disclosure of information about individual estates, including by comparison with other analyses, the detailed figures have been rounded to the nearest 10 and the Government Office Region (GOR) figures to the nearest 100 taxpayers. It is therefore very common for rounded components of a rounded figure to not sum to the same

Where numbers for areas have been suppressed, it is not possible to accurately estimate them by taking the difference between the published data and the GOR total due to the rounding.

6. Quality

As described in the methodology section, the data will not be fully complete due to delays in receiving data on the values of estates. The data may be incomplete in other respects too. For instance, a formal account is not always submitted of assets which are exempt from tax. Thus if the only assets transferred on a death are joint property passing by survivorship to a surviving spouse or settled property going to a charity, these assets, whatever their value, may not appear in a formal account. Even if other assets are taxable on the death, the exempt assets will be included in the statistics only if sufficient details of them are given in some document submitted on the death.

The situation is similar where the total value of the property taxable is below the threshold at which tax becomes payable. Generally, details of all the property belonging to the estate of a deceased person in respect of which a grant of representation is obtained will be available. But details of other property – for instance, property passing by survivorship - may not be available.

As the data for transfers on death is based on a sample, there will be sampling variability around all the estimates which increases as the number of estates reduces. For Tables 12.4, 12.5 and 12.6 we only provide data for the latest year as these tables are not intended to be used as a time series. Were these tables to be compared to those from earlier years there will be fluctuation in this data over time that reflects sampling error or other sources of variability rather than reflecting true changes in the composition of estates. The variability is likely to be particularly high for the smaller data series within these tables.

The tables on numbers of estates with IHT liabilities by geographic areas (Tables 12.10 – 12.12) were published for the first time in 2010, and were published as Official Statistics rather than National Statistics given that little was known about the quality of the data. Whilst National Statistics are approved as such by the UK Statistics Authority and are subject to periodic audit, Official Statistics are not, though they are produced using the same standards. With further years to compare the data to we have found that the shares of taxpayer numbers at Government Office Region level are stable, though as would be expected, there is more volatility at a smaller area level. Some of this volatility can be explained by variations in which estates are left on death in any given year and also as local house price changes might vary from the national picture. However some of this volatility might reflect some of the other known problems about the data such as the large proportion of taxpayer records which have missing postcodes.
7. Likely uses of the statistics

Within HMRC and other government departments Inheritance Tax statistics are frequently sourced to inform policy and are often quoted in response to Parliamentary questions, freedom of information requests and general queries from members of the public. Responses will refer to the published tables on our website where this is relevant.

The data is the best source of information for tax research and analysis, including for informing policy, as it is the only source of data which comes from the IHT tax system and the data will be reliable in this context subject to the limitations outlined above. While some of the information on estate sizes and assets might also be of interest to users investigating wealth, the Office for National Statistics’ (ONS) Wealth and Asset Survey is the best source of UK Government data about households’ wealth. Publications based on this data, along with other publications related to income and wealth, can be found on the [ONS website]^{12}.

Users interested in the amounts that individuals may be receiving from an inheritance would have a more limited use of the statistics as the tables do not identify who receives the assets left on death. Some information on this for estates left as a result of deaths in 2000-01 is published in Table 12.9 which was produced as a one-off, although we expect the information published in this to remain relatively stable over time. Other surveys, such as the English Longitudinal Study of Ageing, contain data on bequests and would be of interest to users.

8. User engagement

We are committed to providing impartial quality statistics that meet our customers’ needs. Feedback from users is welcome at any time, and you can contact the responsible statistician whose contact details are given below.

9. Publication and revision strategy

The statistics for deaths in 2015-16 are scheduled to be released in July 2018. Release dates will be announced on the [UK Statistics Hub]^{13} and the HMRC National Statistics release schedule. Any delays to the publication date will be announced on the HMRC National Statistics website.

As explained in the methodology section, additional cases can be received after the first time data is published, or cases can be amended. Each year we will use the latest available data, which means that earlier data can be revised. In particular the more recent year’s data is most likely to be subject to revision.

10. Related data sources

Users interested in data on wealth and the composition of assets based on the Inheritance Tax data will also be interested in the Office of National Statistics’ Wealth and Asset Survey. Many publications based on the findings of this survey can be found on the [ONS website]^{14}.

^{12} http://www.statistics.gov.uk/hub/index.html
^{13} http://www.statistics.gov.uk/hub/index.html
^{14} http://www.ons.gov.uk/ons/index.html
11. Statistical contacts

Enquiries about the Inheritance Tax Statistics should be directed to the statistician responsible for the publication:

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Media enquiries should be directed to the HMRC Press Office contacts listed on the front page of this release.