

Table 105 Mortgage interest tax relief

	1970/71	1975/76	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Basic rate of relief (%)	32	35	30	30	29	27	25	25	25	25	25	25	20	15	15	15	10	10
Cost of tax relief (£m) (A)	298	1,004	2,188	4,750	4,670	4,850	5,400	6,900	7,700	6,100	5,200	4,300	3,500	2,700	2,400	2,700	1,900	1,600
of which:																		
Option mortgage scheme (£m) (B)	13	109	228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In excess of basic rate of income tax (£m)	-	-	130	260	300	400	350	420	470	-	-	-	-	-	-	-	-	-
Number of recipients (000s) (C)	2,960	4,820	5,860	8,100	8,450	8,750	9,200	9,400	9,600	9,700	9,800	10,000	10,400	10,500	10,600	10,700	10,800	10,900
Average tax relief (£) ((A-B)/C)	95	185	335	585	555	555	585	735	800	630	530	430	340	260	230	250	180	150

Sources: Inland Revenue Statistics, Parliamentary Questions.

Notes: The number of recipients is the number of tax units in receipt of mortgage interest tax relief. This does not include households assisted through the Option Mortgage scheme. The 1970/71 and 1975/76 figures are the author's estimates based on 95% of the number of mortgages (the average tax unit to mortgage ratio for the early 1980s); the figures on the number of tax units are not available. The Option Mortgage scheme provided the equivalent of mortgage interest relief (MITR) to lower income households that did not have a sufficient income to attract the tax liability against which MITR could be offset. It operated from 1968 to 1983. Relief at higher rates of income tax was abolished from 1991/92. The 1999/00 figures are provisional. MITR was abolished in April 2000. Some final costs were incurred in the 2000/01 financial year, but the precise figures are not available.