

2015 No. 1539

INCOME TAX

The Income Tax (Limit for Rent-a-Room Relief) Order 2015

Made - - - - *16th July 2015*

Laid before the House of Commons *17th July 2015*

Coming into force - - *13th August 2015*

The Treasury make the following Order in exercise of the powers conferred by section 789(5) of the Income Tax (Trading and Other Income) Act 2005(a).

Citation, commencement and effect

1.—(1) This Order may be cited as the Income Tax (Limit for Rent-a-Room Relief) Order 2015 and comes into force on 13th August 2015.

(2) The amendment made by article 2 has effect for the tax year 2016-17 and subsequent tax years.

The individual's limit for rent-a-room relief

2. In section 789(4) of the Income Tax (Trading and Other Income) Act 2005 for “£4250” substitute “£7500”.

16th July 2015

Mel Stride
George Hollingbery
Two of the Lords Commissioners for Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

Chapter 1 of Part 7 of the Income Tax (Trading and Other Income) Act 2005 (c. 5) (“ITTOIA”) provides relief on income from the use of furnished accommodation in an individual's only or main residence. The relief is referred to as “rent-a-room relief”. The form of relief depends on whether the individual's total rent-a-room amount (as defined in section 788 ITTOIA) exceeds the individual's rent-a-room limit for the tax year. Section 789 ITTOIA determines the individual's rent-a-room limit for the tax year. The “limit” is the maximum amount of rent-a-room income that is exempt from tax. This Order increases the limit from £4250 to £7500.

A Tax Information and Impact Note covering this instrument was published on 8th July 2015 alongside Summer Budget 2015 and is available on the gov.uk website at <https://www.gov.uk/government/publications/rent-a-room-relief-increase>. It remains an accurate summary of the impacts that apply to this instrument.

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