



Income Tax Act 2007

2007 CHAPTER 3

PART 3

PERSONAL RELIEFS

CHAPTER 4

GENERAL

57 Indexation of allowances

- (1) This section provides for increases in the amounts specified in—
 - (a) section [^{F1}35(1)] [^{F2}(personal allowance)],
 - ^{F3}(b)
 - ^{F4}(c)
 - (d) section 38(1) (blind person's allowance),
 - (e) section 43 (tax reductions for married couples and civil partners: the minimum amount),
 - (f) section 45(3)(a) ^{F5}... (marriages before 5 December 2005),
 - (g) section 46(3)(a) ^{F6}... (marriages and civil partnerships on or after 5 December 2005), and
 - (h) sections 36(2), ^{F7}... 45(4) and 46(4) (adjusted net income limit).
- (2) It applies if the [^{F8}consumer prices index] for the September before the start of a tax year is higher than it was for the previous September.
- (3) For the tax year—
 - (a) the allowances specified in sections [^{F9}35(1)] [^{F10}and] 38(1),
 - (b) the amounts specified in sections 45(3)(a) ^{F11}... and 46(3)(a) ^{F11}..., and
 - (c) the minimum amount specified in section 43,are found as follows.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 57. (See end of Document for details)

Step 1

Multiply the allowance, amount or (as the case may be) the minimum amount for the previous tax year by the same percentage as the percentage increase in the [^{F12}consumer prices index].

Step 2

If the result of Step 1 is a multiple of £10, it is the increase for the tax year.

If the result of Step 1 is not a multiple of £10, round it up to the nearest amount which is a multiple of £10.

That amount is the increase for the tax year.

Step 3

Add the increase for the tax year to the allowance, amount or (as the case may be) the minimum amount for the previous tax year.

The result is the allowance, amount or (as the case may be) the minimum amount for the tax year.

- (4) For the tax year, the adjusted net income limits specified in sections ^{F13} ... ^{F14} ... 45(4) and 46(4) are found as follows.

Step 1

Increase the adjusted net income limit for the previous tax year by the same percentage as the percentage increase in the [^{F15}consumer prices index].

Step 2

If the result of Step 1 is a multiple of £100, it is the adjusted net income limit for the tax year.

If the result of Step 1 is not a multiple of £100, round it up to the nearest amount which is a multiple of £100.

That amount is the adjusted net income limit for the tax year.

- (5) Subsections (1) to (4) do not require a change to be made in the amounts deductible or repayable under PAYE regulations during the period beginning on 6 April and ending on 17 May in the tax year.

- (6) Before the start of the tax year the Treasury must make an order replacing the amounts specified in the provisions listed in subsection (1) with the amounts which, as a result of this section, are the allowances, amounts, the minimum amount and the adjusted net income limits for the tax year.

[^{F16}(7) In this section “consumer prices index” means the all items consumer prices index published by the Statistics Board.]

^{F17}(8)

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 57. (See end of Document for details)

Textual Amendments

- F1** Word in s. 57(1)(a) substituted (with effect in accordance with s. 4(5) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 4\(3\)](#)
- F2** Words in s. 57(1)(a) substituted (with effect in accordance with s. 5(11) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 5\(10\)\(a\)](#)
- F3** S. 57(1)(b) omitted (17.7.2012) (with effect in accordance with s. 1(8) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\), s. 4\(6\)\(a\)\(ii\)](#)
- F4** S. 57(1)(c) omitted (17.7.2012) (with effect in accordance with s. 1(8) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\), s. 4\(6\)\(a\)\(ii\)](#)
- F5** Words in s. 57(1)(f) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\), s. 3\(2\), Sch. 1 Pt. 10](#) Group 1
- F6** Words in s. 57(1)(g) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\), s. 3\(2\), Sch. 1 Pt. 10](#) Group 1
- F7** Word in s. 57(1)(h) omitted (with effect in accordance with s. 5(11) of the amending Act) by virtue of [Finance Act 2015 \(c. 11\), s. 5\(10\)\(b\)](#)
- F8** Words in s. 57(2) substituted (with effect in accordance with s. 4(4) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 4\(3\)\(a\)](#)
- F9** Word in s. 57(3)(a) substituted (with effect in accordance with s. 4(5) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 4\(3\)](#)
- F10** Word in s. 57(3)(a) substituted (17.7.2012) (with effect in accordance with s. 1(8) of the amending Act) by [Finance Act 2012 \(c. 14\), s. 4\(6\)\(b\)](#)
- F11** Words in s. 57(3)(b) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\), s. 3\(2\), Sch. 1 Pt. 10](#) Group 1
- F12** Words in s. 57(3) substituted (with effect in accordance with s. 4(4) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 4\(3\)\(a\)](#)
- F13** Word in s. 57(4) omitted (with effect in accordance with s. 2(9) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\), s. 2\(8\)\(b\)](#)
- F14** Word in s. 57(4) omitted (with effect in accordance with s. 5(11) of the amending Act) by virtue of [Finance Act 2015 \(c. 11\), s. 5\(10\)\(c\)](#)
- F15** Words in s. 57(4) substituted (with effect in accordance with s. 4(4) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 4\(3\)\(a\)](#)
- F16** S. 57(7) inserted (with effect in accordance with s. 4(4) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 4\(3\)\(b\)](#)
- F17** S. 57(8) omitted (12.2.2019) by virtue of [Finance Act 2019 \(c. 1\), s. 5\(4\)\(a\)](#)

Modifications etc. (not altering text)

- C1** S. 57 excluded (21.7.2008) by [Finance Act 2008 \(c. 9\), s. 2\(2\)\(a\)](#)
- C2** S. 57 excluded (21.7.2008) by [Finance Act 2008 \(c. 9\), s. 3\(2\)\(a\)](#)
- C3** S. 57 excluded (21.7.2009) by [Finance Act 2009 \(c. 10\), s. 3\(2\)\(a\)](#)
- C4** S. 57 excluded (19.7.2011) by [Finance Act 2011 \(c. 11\), s. 3\(2\)](#)
- C5** S. 57 excluded (17.7.2012) by [Finance Act 2012 \(c. 14\), s. 3\(2\)](#)
- C6** S. 57 excluded (17.7.2013) by [Finance Act 2013 \(c. 29\), s. 2\(2\)](#)
- C7** S. 57 excluded (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 1\(4\)\(b\)](#)
- C8** S. 57 excluded (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 2\(2\)\(b\)](#)
- C9** S. 57 excluded (26.3.2015) by [Finance Act 2015 \(c. 11\), ss. 2\(2\), 5\(2\)](#)
- C10** S. 57 excluded (6.4.2015 for tax year 2015-16) by [Finance Act 2014 \(c. 26\), s. 2\(2\)\(b\)](#)
- C11** S. 57 excluded (12.2.2019) by [Finance Act 2019 \(c. 1\), s. 5\(5\)\(b\)](#)
- C12** S. 57 excluded (for the tax years 2022-23, 2023-24, 2024-25 and 2025-26) by [Finance Act 2021 \(c. 26\), s. 5\(3\)\(b\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Section 57.