

SCHEDULES

SCHEDULE 1

ABOLITION OF STARTING AND SAVINGS RATES AND CREATION OF STARTING RATE FOR SAVINGS

PART 1

AMENDMENTS OF ITA 2007

5 For section 12 substitute—

“12 Income charged at the starting rate for savings

- (1) Income tax is charged at the starting rate for savings (rather than the basic rate) on so much of an individual’s income up to the starting rate limit for savings as is savings income.
- (2) This is subject to any provisions of the Income Tax Acts (apart from section 10) which provide for income of an individual to be charged at different rates of income tax in some circumstances.
- (3) The starting rate limit for savings is £2,320.
- (4) See section 21 for indexation of the starting rate limit for savings.
- (5) Section 16 has effect for determining the extent to which a person’s income up to the starting rate limit for savings consists of savings income.”