

# **FINANCE ACT 2014**

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## **EXPLANATORY NOTES**

### **INTRODUCTION**

#### ***Section 11: Transferable Tax Allowance for Married Couples and Civil Partners***

##### **Background Note**

8. This measure introduces a transferable personal allowance for married couples and civil partners where neither spouse nor civil partner is liable to income tax at the higher or additional rate. From 2015-16, a spouse or civil partner (a transferor) who meets the qualifying conditions will be able to elect to transfer a fixed amount of their personal allowance to their spouse or civil partner (the recipient). Where the qualifying conditions are met, the recipient's income tax liability is reduced by an amount calculated in accordance with new section 55B.
9. Transferors will be able to withdraw their election with effect from the tax year following the tax year in which they notify HM Revenue & Customs. However, the transferor will have the option to withdraw their election with effect from the tax year that their marriage or civil partnership comes to a legal end.