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STATUTORY INSTRUMENTS

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**1998 No. 2704**

**INCOME TAX**

**The Income Tax (Indexation) (No. 2) Order 1998**

*Made - - - - 3rd November 1998*

The Treasury, in pursuance of section 257C(3) of the Income and Corporation Taxes Act 1988(1), hereby make the following Order:

1. This Order may be cited as the Income Tax (Indexation) (No. 2) Order 1998.
2. The amount which, unless Parliament otherwise determines, will be treated by virtue of section 257C(1) of the Income and Corporation Taxes Act 1988 as specified for the year 1999–00 in section 257(1) of that Act (personal allowance) is £4,335.

3rd November 1998

*Bob Ainsworth*  
*Jim Dowd*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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(1) 1988 c. 1. Sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988 (c. 39) with effect for the year 1990–91 and subsequent years of assessment. Section 257C was amended by Part IV of Schedule 19 to the Finance Act 1990 (c. 29) and by section 107(3) of, and Part III(10) of Schedule 23 to, the Finance Act 1993 (c. 34), and was extended by section 56(2) of the Finance Act 1997 (c. 16).

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

Section 257C(3) of the Income and Corporation Taxes Act 1988 (“the Act”) operates to provide that the Treasury shall by order made by statutory instrument before 6th April 1999 specify the amount which by virtue of that section shall, unless Parliament otherwise determines, be treated as specified for the purpose of section 257(1) of the Act (personal allowance for persons under 65) for the year of assessment 1999–00. This Order specifies that amount as £4,335.

Following the amendments to section 257C(1) of the Act made by section 107(1) and (3) of the Finance Act 1993, the amount specified by the Income Tax (Indexation) Order 1998 (S.I. [1998/755](#)) for the year of assessment 1998–99 for the purpose of section 257(1) of the Act is increased by this Order in accordance with the percentage increase in the retail prices index for September 1998 over that for September 1997. The increase has been rounded up to the nearest £10 in accordance with section 257C(1)(b) of the Act.

The “retail prices index” is defined in section 833(2) of the Act, as amended by paragraph 22 of Schedule 2 to the Transfer of Functions (Registration and Statistics) Order 1996 (S.I. [1996/273](#)), as the “general index of retail prices (for all items) published by the Office for National Statistics”. The retail prices index for September 1997 is 159.3 and for September 1998 164.4 (based on January 1987 as 100).