
STATUTORY INSTRUMENTS

2007 No. 943

INCOME TAX

The Income Tax (Indexation) Order 2007

Made - - - - *21st March 2007*

The Treasury make the following Order in compliance with the duty imposed upon them by section 1(6) of the Income and Corporation Taxes Act 1988(1).

Citation

1. This Order may be cited as the Income Tax (Indexation) Order 2007.

Amounts specified for rate limits for 2007-08

2. Unless Parliament determines otherwise, for the year 2007-08, the amount treated as specified by virtue of section 1(4) of the Income and Corporation Taxes Act 1988 shall be—
 - (a) in section 1(2)(aa) of that Act (starting rate limit of charge to income tax), £2,230; and
 - (b) in section 1(2)(b) of that Act (basic rate limit of charge to income tax), £34,600.

21st March 2007

Frank Roy
Alan Campbell
Two of the Lords Commissioners of Her
Majesty's Treasury

(1) 1988 c. 1: section 1(6) was amended by section 9(7) of the Finance Act 1992 (c. 20).

Status: This is the original version (as it was originally made).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

EXPLANATORY NOTE

(This note is not part of the Order)

Section 1(6) of the Income Tax and Corporation Taxes Act 1988 (“the Act”) provides that the Treasury shall by order made by statutory instrument before each year of assessment specify the amounts which by virtue of that section shall, unless Parliament otherwise determines, be treated as specified for the purposes of section 1(2)(aa) (starting rate limit of charge to income tax), and section 1(2)(b) (basic rate limit of charge to income tax) of the Act for the year of assessment 2006-07.

These amounts were specified for the year 2006-07 by the Income Tax (Indexation) Order 2006 ([S.I. 2006/872](#)).

The amounts in sections 1(2)(aa) and (b) of the Act are increased by this Order in accordance with the percentage increase in the retail prices index for September 2006 over that for September 2005. The amount in section 1(2)(aa) is rounded up to the nearest £10 in accordance with section 1(4)(a) and the amount in section 1(2)(b) is rounded up to the nearest £100 in accordance with section 1(4)(b). 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 2005 is 193.1 and for September 2006 is 200.1 (based on January 1987 as 100). The retail prices index for September 2006 was published in the November 2006 edition of Economic Trends, number 636, page 90, Table 3.1.

This Order does not impose any costs on business.