

2014 No. 3273

INCOME TAX

The Income Tax (Indexation) Order 2014

Made - - - - *10th December 2014*

The Treasury, in exercise of the powers conferred by section 57(6) of the Income Tax Act 2007(a), make the following Order:

Citation and interpretation

- 1.—(1) This Order may be cited as the Income Tax (Indexation) Order 2014.
- (2) In this Order references to sections are references to sections of the Income Tax Act 2007.

Indexation of allowances for the tax year 2015-16

2. For the tax year 2015-16—
 - (a) the amount specified in section 38(1)(b) (blind person's allowance) is replaced with "£2,260";
 - (b) the amount specified in section 43(c) (tax reductions for married couples and civil partners: the minimum amount) is replaced with "£3,180";
 - (c) the amount specified in section 45(3)(a)(d) (married couple's allowance: marriages before 5th December 2005) is replaced with "£8,275";
 - (d) the amount specified in section 46(3)(a)(e) (married couple's allowance: marriages and civil partnerships on or after 5th December 2005) is replaced with "£8,275";
 - (e) the amounts specified in sections 37(2), 45(4) and 46(4)(f) (adjusted net income limit) is replaced with "£27,400".

Alun Cairns
Mark Lancaster

10th December 2014

Two of the Lords Commissioners of Her Majesty's Treasury

(a) 2007 c. 3 ; section 57 was amended by section 4(3) of the Finance Act 2009 (c. 10) ("FA 2009"), section 4(1) and (6) of the Finance Act 2012 (c. 14) ("FA 2012"), Part 10 of Schedule 1 to the Statute Law (Repeals) Act 2013 (c. 2) ("SLRA 2013") and sections 2(8) and 4(1) and (3) of the Finance Act 2014 ("FA 2014").

(b) The amount specified in section 38(1) was last substituted by article 3(b) of S.I. 2013/3088.

(c) The amount specified in section 43 was last substituted by article 3(c) of S.I. 2013/3088.

(d) Section 45(3) was amended by Part 10 of Schedule 1 to the SLRA 2013. The amount specified in section 45(3)(a) was last substituted by article 3(d) of S.I. 2013/3088.

(e) Section 46(3) was amended by Part 10 of Schedule 1 to the SLRA 2013. The amount specified in section 46(3)(a) was last substituted by article 3(e) of S.I. 2013/3088.

(f) Section 37(2) was amended by section 4(2) of FA 2009 and section 4(1) and (4) of FA 2012. Section 45(4) was amended by section 2(6) of FA 2014. Section 46(4) was amended by section 2(7) of FA 2014. The amounts specified in each of the provisions amended by this subparagraph were last substituted by article 3(f) of S.I. 2013/3088.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order gives effect to the indexation requirement in section 57 of the Income Tax Act 2007 (c. 3) (“the Act”). Section 57 provides that, if the consumer prices index has risen, corresponding increases are to be made to certain allowances and limits. These increases have effect for the 2015-16 tax year.

Article 2 increases the amount of the blind person’s allowance and the minimum and maximum amounts of married couple’s allowance. It also increases the income limits for married couple’s allowance and the personal allowance for individuals born before 5th April 1938.

This Order does not make provision under section 21 of the Act (modifying the amounts of the basic rate limit and starting rate limit for savings) or under section 57(1)(a) of the Act (increasing the personal allowance for individuals born after 5th April 1938) as the requirement to do so was disapplied for the 2015-16 tax year by sections 2(2) and 3(3) of the Finance Act 2014 (c. 26).

This Order also does not make provision, under section 57 of the Act, dealing with section 36 of the Act. Section 36 was repealed, with effect from the 2015-16 tax year, by section 2(5) of the Finance Act 2014.

A Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and relates to a predetermined indexation formula.

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