

2008 No. 673

INCOME TAX

The Income Tax (Indexation) Order 2008

Made - - - - *10th March 2008*

Laid before the House of Commons *11th March 2008*

Coming into force - - *6th April 2008*

The Treasury make the following Order in compliance with the duty imposed upon them by sections 257C(3) and 265(1A) of the Income and Corporation Taxes Act 1988(a).

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Income Tax (Indexation) Order 2008 and shall come into force on 6th April 2008.

(2) In this Order references to sections, without more, are references to sections of the Income and Corporation Taxes Act 1988.

Indexation of personal allowance and married couple's allowance for the year 2008-09

2.—(1) The amounts specified in the sections mentioned in subsection (1) of section 257C(b) (indexation of allowances) are replaced for the year 2008-09 with the amounts specified in paragraphs (2) to (5) below.

(2) The amount specified in section 256B(c) (the minimum amount) is £2,540.

(3) The amounts specified in section 257(d) (personal allowance) are—

- (a) in subsection (1) (personal allowance for those aged under 65) £5,435;
- (b) in subsection (2) (personal allowance for those aged 65 to 74) £7,850;
- (c) in subsection (3) (personal allowance for those aged 75 and over) £8,000;
- (d) in subsection (5) (adjusted net income limit) £21,800.

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- (a) 1988 c. 1. Sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988 (c. 39), and section 257C(3) was relevantly amended by paragraph 34(2) of Schedule 1 to the Income Tax Act 2007 (c. 3) and regulation 55(c) of S.I. 2005/3229. Section 265 was substituted by paragraph 8 of Schedule 3 to the Finance Act 1988, and subsection (1A) was inserted by section 56(2) of the Finance Act 1997 (c. 16).
 - (b) Sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988. Section 257C(1) was relevantly amended by section 107(3)(a) of the Finance Act 1993 (c. 34), paragraph 34(2) of Schedule 1 to the Income Tax Act 2007 and regulation 55(a) and (b) of S.I. 2005/3229. The relevant amounts for the purposes of section 257C(1) were specified for the year 2007-08 by S.I. 2006/3241.
 - (c) Section 256B was inserted by paragraph 28 of Schedule 1 to the Income Tax Act 2007.
 - (d) Sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988. In section 257, subsection (1) was relevantly amended by paragraph 29(2) of Schedule 1 to the Income Tax Act 2007; subsection (2) was relevantly amended by paragraph 13 of Schedule 20 to the Finance Act 1996 (c. 8) and paragraph 29(3) of Schedule 1 to the Income Tax Act 2007; subsection (3) was relevantly amended by section 33(4)(a) of the Finance Act 1989 (c. 26), paragraph 13 of Schedule 20 to the Finance Act 1996 and paragraph 29(4) of Schedule 1 to the Income Tax Act 2007; and subsection (5) was relevantly amended by section 33(5)(b) of the Finance Act 1989 and paragraph 29(5) of Schedule 1 to the Income Tax Act 2007.

(4) The amounts specified in section 257A(a) (married couple's allowance: marriages before 5 December 2005) are—

- (a) in subsection (2) (married couple's allowance: one spouse aged less than 75 and born before 6th April 1935) £6,535;
- (b) in subsection (3) (married couple's allowance: one spouse aged 75 or over) £6,625;
- (c) in subsection (5) (adjusted net income limit) £21,800.

(5) The amounts specified in section 257AB(b) (marriages and civil partnerships on or after 5 December 2005) are—

- (a) in subsection (2)(a) (married couple's allowance: one spouse or civil partner aged 75 or over) £6,625;
- (b) in subsection (2)(b) (married couple's allowance: one spouse or civil partner aged less than 75 and born before 6th April 1935) £6,535;
- (c) in subsection (4) (adjusted net income limit) £21,800.

Indexation of blind person's allowance for the year 2008-09

3. The amount specified in section 265(1)(c) (blind person's allowance) is replaced for the year 2008-09 with the amount of £1,800.

Frank Roy
Dave Watts

10th March 2008

Two of the Lords Commissioners of Her Majesty's Treasury

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- (a) Sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988. In section 257A, subsection (2) was relevantly amended by section 77(2)(b) of the Finance Act 1994 (c. 9), paragraph 14(3) of Schedule 20 to the Finance Act 1996, section 31(3) of the Finance Act 1999 (c. 16), paragraph 30(2) of Schedule 1 to the Income Tax Act 2007 and regulation 51(2) of S.I. 2005/3229; subsection (3) was relevantly amended by section 33(8)(a) of the Finance Act 1989, section 77(2)(c) of the Finance Act 1994, paragraph 14(3) of Schedule 20 to the Finance Act 1996, section 31(4) of the Finance Act 1999, paragraph 30(2) of Schedule 1 to the Income Tax Act 2007 and regulation 51(3) of S.I. 2005/3229; and subsection (5) was relevantly amended by section 33(9)(b) of the Finance Act 1989, section 31(6) of the Finance Act 1999 and paragraph 30(3) of Schedule 1 to the Income Tax Act 2007.
 - (b) Section 257AB was inserted by regulation 52 of S.I. 2005/3229 and amended by paragraph 31 of Schedule 1 to the Income Tax Act 2007.
 - (c) Section 265 was substituted by paragraph 8 of Schedule 3 to the Finance Act 1988. Subsection (1) was amended by paragraph 19 of Schedule 20 to the Finance Act 1996 and paragraph 35 of Schedule 1 to the Income Tax Act 2007.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order replaces the amounts specified in sections 256B, 257, 257A, 257AB and 265 of the Income and Corporation Taxes Act 1988 in accordance with the directions given in section 257C(1) of that Act.

This Order applies to individuals who are not resident in the United Kingdom and who satisfy the conditions of section 278(2) of the Income and Corporation Taxes Act 1988. The allowances, the minimum amount and the adjusted net income limits for 2008-09 which apply to individuals who are resident in the United Kingdom in the tax year 2008-09 are specified in the Income Tax (Indexation) (No. 2) Order 2007 (S.I. 2007/3481).

This Order does not impose any costs on business.

STATUTORY INSTRUMENTS

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