Finance Act 1979

1979 CHAPTER 25

An Act to continue income tax and corporation tax at the existing rates; to increase the main personal reliefs from income tax; to withdraw child tax allowances; and to continue the limit on relief for interest imposed by paragraph 5 of Schedule 1 to the Finance Act 1974.
[4th April 1979]

Most Gracious Sovereign,

WE, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards raising the necessary supplies to defray Your Majesty's public expenses, and making an addition to the public revenue, have freely and voluntarily resolved to give and grant unto Your Majesty the several duties hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Income tax.

1.—(1) Income tax for the year 1979–80 shall be charged at the same rates as for the year 1978–79.

1970 c. 10.

(2) In section 8 of the Income and Corporation Taxes Act 1970 (personal reliefs)—

(*a*) in subsection (1)(*a*) (married) for "£1,535" there shall be substituted "£1,675";

(*b*) in subsection (1)(*b*) (single) and (2) (wife's earned income relief) for "£985" there shall be substituted "£1,075";

(*c*) in subsection (1A) (age allowance) for "£2,075" and "£1,300" there shall be substituted "£2,265" and "£1,420" respectively;

(*d*) in subsection (1B) (income limit for age allowance) for "£4,000" there shall be substituted "£4,400";

and in section 14(2) and (3) of that Act (additional relief for widows and others in respect of children) for "£550" there shall be substituted "£600".

(3) Neither subsection (2) above nor section 22(2) or (3) of the Finance Act 1977 shall require any change to be made in the amounts deductible or repayable under section 204 of the said Act of 1970 (pay as you earn) before 1st August 1979. 1977 c. 36.

(4) No relief shall be given under section 10 of the said Act of 1970 (child tax allowances) for the year 1979–80 or any subsequent year of assessment except in the case of a child to whom section 25 or 26 of the said Act of 1977 applies.

(5) In paragraph 5(1) of Schedule 1 to the Finance Act 1974 (limit on relief for interest on certain loans for the purchase or improvement of land) the references to £25,000 shall have effect for the year 1979–80 as well as for previous years of assessment. 1974 c. 30.

2.—(1) Corporation tax shall be charged for the financial year 1978 at the same rate as for the financial year 1977; and the small companies rate and the fraction mentioned in section 95(2) of the Finance Act 1972 (marginal relief for small companies) shall also be the same for the financial year 1978 as for the financial year 1977. Corporation tax. 1972 c. 41.

(2) The rate of advance corporation tax for the financial year 1979 shall be the same as for the financial year 1978.

3. This Act may be cited as the Finance Act 1979. Short title.