STATUTORY INSTRUMENTS

2025 No. 212

INCOME TAX

The Income Tax (Exemption of Scottish Adult Disability Living Allowance) Regulations 2025

Made - - - -	*25th February 2025*
Laid before the House of Commons	*26th February 2025*
Coming into force - -	*19th March 2025*

The Treasury make these Regulations in exercise of the powers conferred by section 13(1) of the Finance Act 2020(**a**).

Citation and commencement

1. These Regulations may be cited as the Income Tax (Exemption of Scottish Adult Disability Living Allowance) Regulations 2025 and come into force on 19th March 2025.

Amendment to the Income Tax (Earnings and Pensions) Act 2003

2. In section 677(1) of ITEPA 2003(**b**) (UK social security benefits wholly exempt from tax: Table B), in Part 1 of Table B (benefits payable under primary legislation and Northern Ireland welfare supplementary payments etc), at the appropriate place insert—

"Scottish Adult Disability Living Allowance(**c**)	SS(S)A 2018(**d**)	Sections 24 and 31".

(**a**) 2020 c. 14. The Parliamentary procedure for section 13 of the Finance Act 2020 is found at section 1014 of the Income Tax Act 2007 (c. 3), which applies to all powers under the "Income Tax Acts", as defined by Schedule 1 to the Interpretation Act 1978 (c. 30).

(**b**) "ITEPA 2003" is defined in section 113 of the Finance Act 2020 as the Income Tax (Earnings and Pensions) Act 2003 (c. 1). Chapter 5 of Part 10 has been relevantly amended by paragraph 9 of Schedule 17 and Part 2 of Schedule 42 to the Finance Act 2004 (c. 12); paragraph 24 of Schedule 3 to the Welfare Reform Act 2007 (c. 5); section 46 of the Finance Act 2008 (c. 9); section 138 of the Health and Social Care Act 2008 (c. 14); paragraph 49 of Schedule 9 to the Welfare Reform Act 2012 (c. 5); section 13 of the Finance Act 2013 (c. 29); paragraph 48 of Schedule 16 to the Pensions Act 2014 (c. 19); paragraph 47 of Schedule 16 to the Pensions Act (Northern Ireland) 2015 (c. 5) (N.I); section 16 of the Finance Act 2015 (c. 11); section 12 of the Finance Act 2019 (c. 1); and section 12 of the Finance Act 2020 (c. 14); and by S.I. 2014/606, 2017/338, 2021/1341, 2022/529, 2023/1148, 2024/287 and 901.

(**c**) The eligibility rules for Scottish Adult Disability Living Allowance are set out in the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025 (S.S.I. 2025/3), which come into force on 21st March 2025.

(**d**) "SS(S)A 2018" is defined, in the table in Part 1 (abbreviations of Acts and instruments) of Schedule 1 to ITEPA 2003, as Social Security (Scotland) Act 2018 (asp 9).

Nicholas Dakin
Jeff Smith

25th February 2025 Two of the Lords Commissioners of His Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make an amendment to Chapter 5 of Part 10 of the Income Tax (Earnings and Pensions) Act 2003 (c. 1) ("ITEPA 2003"), so as to provide that no liability to income tax arises on social security benefits of a description specified in the Regulations.

Regulation 2 amends section 677 of ITEPA 2003 by inserting a new row into Part 1 of Table B, in order to wholly exempt Scottish Adult Disability Living Allowance from income tax.

A Tax Information and Impact Note has not been prepared for this instrument as it contains no substantive changes to tax policy.

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