STATUTORY INSTRUMENTS

1982 No. 320

INCOME TAX

The Income Tax (Indexation) Order 1982

Made - - - - *9th March* 1982

The Treasury, in pursuance of section 24(9) of the Finance Act 1980(**a**), hereby make the following Order :—

1. This Order may be cited as the Income Tax (Indexation) Order 1982.

2.—(1) The amounts which, unless Parliament otherwise determines, will be treated by virtue of section 24 of the Finance Act 1980(**a**) as specified for the year 1982–83 in section 32 of the Finance Act 1971(**b**) and section 8 of the Income and Corporation Taxes Act 1970(**c**) are as follows.

(2) In section 32 of the said Act of 1971 (basic rate limit, investment income threshold and higher rate bands)—

(*a*) the basic rate limit £12,700;

(*b*) the investment income threshold £6,200;

(*c*) the higher rate bands—

Band	*Part of total income in excess of basic rate limit*
First	The first £2,300
Second	The next £4,000
Third	The next £6,200
Fourth	The next £6,200
Fifth	The remainder.

(3) In section 8 of the said Act of 1970 (personal allowances)—

(*a*) subsection (1)(*a*) (married) £2,405;

(*b*) subsection (1)(*b*) and (2) (single and wife's earned income relief) £1,545;

(*c*) subsection (1A)(*a*) and (*b*) (age allowance) £3,245 and £2,040;

(*d*) subsection (1B) (income limit for age allowance) £6,700.

J. A. Cope,

P. L. Brooke,

Two of the Lords Commissioners of Her Majesty's Treasury.

9th March 1982.

(**a**) 1980 c. 48. (**b**) 1971 c. 68. (**c**) 1970 c. 10.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Section 24 of the Finance Act 1980 provides that the Treasury shall by order made by statutory instrument before 6th April 1981 (and likewise each subsequent year) specify the amounts which by virtue of that section shall, unless Parliament otherwise determines, be treated as specified for that year. These are the thresholds for the higher rates of tax—the basic rate limit and the higher rate bands—and the investment income surcharge (section 32, Finance Act 1971) and the personal allowances (Section 8, Income and Corporation Taxes Act 1970), increased in accordance with the increase in the retail prices index for December 1981 over that for December 1980. The " retail prices index " is defined in Section 24(8) as " the general index of retail prices (for all items) published by the Department of Employment ".

The retail prices index for December 1980 is 275·6 and for December 1981 308·8 (based on January 1974 as 100). (Table 6·4 of the Employment Gazette, January 1982.) This order specifies the amounts which take account of that increase. They will have effect for income tax for the year 1982–83 unless Parliament otherwise determines.

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