STATUTORY INSTRUMENTS

2017 No. 1184

INCOME TAX

The Income Tax (Indexation) Order 2017

Made - - - - 30th November 2017

The Treasury, in exercise of the powers conferred by sections 21(5) and 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 2017.

(2) In this Order, references to sections are references to sections of the Income Tax Act 2007.

Indexation of the basic rate limit for the tax year 2018-19

2. For the tax year 2018-19, the amount specified in section 10(5)(**b**) (basic rate limit) is replaced with "£34,500".

Indexation of allowances for the tax year 2018-19

3. For the tax year 2018-19—

(a) the amount specified in section 35(1)(**c**) (personal allowance) is replaced with "£11,850";

(b) the amount specified in section 38(1)(**d**) (blind person's allowance) is replaced with "£2,390";

(c) the amount specified in section 43(**e**) (tax reductions for married couples and civil partners: the minimum amount) is replaced with "£3,360";

(d) the amount specified in section 45(3)(a)(**f**) (married couple's allowance: marriages before 5 December 2005) is replaced with "£8,695";

(e) the amount specified in section 46(3)(a)(**g**) (married couple's allowance: marriages and civil partnerships on or after 5 December 2005) is replaced with "£8,695";

(**a**) 2007 c. 3. Section 21 was amended by paragraph 11 of Schedule 1 to the Finance Act 2008 (c. 9) ("FA 2008") and section 4(2) of the Finance Act 2014 (c. 26) ("FA 2014"). Section 57 was amended by section 4(3) of the Finance Act 2009 (c. 10), section 4(6) of the Finance Act 2012 (c. 14), Part 10 of Schedule 1 to the Statute Law (Repeals) Act 2013 (c. 2) ("SLRA 2013"), section 4(3) of FA 2014, section 5(10) of the Finance Act 2015 (c. 11) ("FA 2015") and section 3(2) of the Finance (No. 2) Act 2015 (c. 33).

(**b**) Section 10(5) was substituted by section 4(1) of FA 2008. The amount specified in section 10(5) was last substituted by section 4(1)(b) of FA 2015.

(**c**) Section 35 was amended by section 5(4) of FA 2015. The amount specified in section 35(1) was last substituted by section 5(1)(b) of FA 2015.

(**d**) The amount specified in section 38(1) was last substituted by article 2(a) of S.I. 2016/1175.

(**e**) The amount specified in section 43 was last substituted by article 2(b) of S.I. 2016/1175.

(**f**) Section 45(3) was amended by Part 10 of Schedule 1 to SLRA 2013. The amount specified in section 45(3)(a) was last substituted by article 2(c) of S.I. 2016/1175.

(**g**) 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 2(d) of S.I. 2016/1175.

(f) the amount specified in sections 45(4) and 46(4)(**a**) (married couple's allowance: adjusted net income limit) is replaced with "£28,900".

Mark Spencer
Andrew Griffiths
30th November 2017 Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order fulfils the indexation requirements in sections 21 and 57 of the Income Tax Act 2007 (c. 3) that certain allowances and limits are increased by reference to the Consumer Prices Index. These increases have effect for the 2018-19 tax year.

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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(**a**) Section 45(4) was amended by section 5(6) of FA 2015. Section 46(4) was amended by section 5(7) of FA 2015. The amounts specified in sections 45(4) and 46(4) were last substituted by article 2(e) of S.I. 2016/1175.

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