STATUTORY INSTRUMENTS

1984 No. 1674

INCOME TAX

The Income Tax (Reduced and Composite Rate) Order 1984

Made - - -	26*th October* 1984
Laid before the House of Commons	31*st October* 1984
Coming into Operation	6*th April* 1985

The Treasury, in exercise of the powers conferred on them by section 26 of the Finance Act 1984(**a**), hereby make the following Order:—

1. This Order may be cited as the Income Tax (Reduced and Composite Rate) Order 1984 and shall come into operation on 6th April 1985.

2. The Treasury hereby determine that the rate which shall, for the year 1985–86, be—

(*a*) the reduced rate for the purposes of section 343 of the Income and Corporation Taxes Act 1970(**b**), and

(*b*) the composite rate for the purposes of section 27 of the Finance Act 1984,

shall be 25.25 per cent.

T. Garel-Jones,
Donald Thompson,
Two of the Lords Commissioners of Her Majesty's Treasury.

26th October 1984.

(**a**) 1984 c.43. (**b**) 1970 c.10.

EXPLANATORY NOTE

(This Note is not part of the Order.)

A building society which enters into arrangements with the Inland Revenue under the provisions of section 343 of the Income and Corporation Taxes Act 1970 is required to pay an amount representing income tax on certain sums calculated in part at the basic rate and in part at a reduced rate.

Under the provisions of section 27 of the Finance Act 1984 a deposit-taker on making payments of interest in respect of a relevant deposit is liable to account for and pay an amount representing income tax on such payments. The amount is calculated by applying the composite rate determined in accordance with section 26 of that Act.

Section 26 provides that the Treasury shall by order made by statutory instrument determine a rate in 1984–85 and each subsequent year of assessment which for the following year of assessment shall be the reduced rate (for the purposes of section 343 of the 1970 Act) and the composite rate (for the purposes of section 27 of the 1984 Act.). This Order determines the rate at 25.25 per cent. for the year 1985–86.

SI 1984/1674
ISBN 0-11-047674-3

