

Statutory Document No. 2023/0003



Income Tax Act 1970

INCOME TAX (PERSONAL ALLOWANCE) (TEMPORARY TAXATION) ORDER 2023

*Approved by Tynwald: 21 February 2023
Coming into Operation in accordance with article 2*

The Treasury makes the following Order under section 115A of the Income Tax Act 1970.

1 Title

This Order is the Income Tax (Personal Allowance) (Temporary Taxation) Order 2023.

2 Commencement and effect

If approved by Tynwald¹, this Order comes into operation on 6 April 2023 and shall have effect in respect of the income tax year commencing 6 April 2023 and all subsequent years.

3 Amendment of the Income Tax Act 1970

(1) The Income Tax Act 1970 is amended as follows.

(2) In section 35 (personal allowance) —

(a) after subsection (3) insert —

(3A) If the total income of two persons to whom subsection (1) applies exceeds £200,000, the deduction of £29,000 from their total income under subsection (1) is reduced by one-half of the excess.

(3B) If the total income of an individual to whom subsection (1) does not apply exceeds £100,000 —

(a) the deduction of £14,500 from total income under subsection (3); and

(b) any unused balance of an allowance that is transferred to that individual under subsections (4) and (4A),

is reduced by one-half of the excess.

¹ Tynwald approval is required by section 115A(2) of the Income Tax Act 1970.

- (3C) The reference to £200,000 in subsection (3A) and to £100,000 in subsection (3B) shall be pro-rated in the year of arrival or departure, based on the proportion of time resident in the Isle of Man in the relevant tax year.
- (3D) If the amount of any deduction that remains after the operation of subsection (3A) or (3B) would otherwise not be a multiple of £1, it is to be rounded up to the nearest amount which is a multiple of £1. ~~22~~.
- (b) in subsection (4) omit “or civil partner”;
- (c) in subsection (4A) for “if”, where it occurs for the second time, substitute ~~69~~ of ~~22~~;
- (d) omit subsection (8).

MADE 5TH JANUARY 2023

DR ALEX ALLINSON MHK
Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under section 115A of the Income Tax Act 1970. It amends section 35 in respect of personal allowance.

The amendment provides that the personal allowance be withdrawn at a rate of £1 for every £2 of total income over £100,000.