



## INCOME TAX ACT 1995

### INCOME TAX (INDIVIDUALS) (TEMPORARY TAXATION) ORDER 2008

*Approved by Tynwald*

*19th February 2008*

*Coming into operation in accordance with article 1(2)*

In exercise of the powers conferred on the Treasury by section 15 of the Income Tax Act 1995<sup>1</sup>, and of all other enabling powers, the following Order is hereby made:—

#### **1. Citation and commencement**

- (1) This Order may be cited as the Income Tax (Individuals) (Temporary Taxation) Order 2008.
- (2) This Order shall come into operation on the day that it is approved by Tynwald and shall have effect in respect of the income tax year commencing on the 6 April 2008 and every subsequent year.
- (3) This Order shall be construed as one with the Income Tax Act 1970<sup>2</sup>.

#### **2. Interpretation**

In this Order “the 1970 Act” means the Income Tax Act 1970.

---

<sup>1</sup> 1995 c.12  
<sup>2</sup> XXI p.260

### **3. Age allowance**

- (1) Where an individual is 65 years or over for the whole of the year of assessment, that person shall be entitled to a deduction of £2,000 from their total income.
- (2) Where a valid election made in accordance with section 65C ('a joint treatment election') of the 1970 Act is in force, the deduction or as the case may be, both deductions, shall be aggregated under section 65A(3) of that Act.

### **4. Training relief**

The deduction for training relief is abolished and accordingly section 31D of the 1970 Act is repealed.

### **5. Deduction in respect of life insurance premiums**

The deduction for life insurance premiums is abolished and accordingly section 44 of the 1970 Act is repealed.

### **6. Modifications**

- (1) The 1970 Act is to operate as if modified as follows-
  - (a) in section 44A, for "the tax payable by him reduced by a sum representing tax at such a rate, and in the same manner, and under the same limitation, as provided in section 44 above, on the amount paid by him or deducted from his salary or stipend" substitute "his total income reduced by a deduction, representing the amount paid by him or deducted from his salary or stipend";
  - (b) in section 50(9) the words "; and references in the Income Tax Acts to relief in respect of life assurance premiums shall not be taken to include relief under this section" are repealed;
  - (c) in section 52(5)(b), for "sections forty-four or fifty of this Act (which respectively relate to deductions in respect of life insurance premiums and the nature and amount of relief for qualifying premiums)" substitute "section 50 of this Act (which relates to the nature and amount of relief for qualifying premiums)";
  - (d) in section 52(6), the words "(and the references to section forty-four of this Act shall be construed accordingly)" are repealed;
  - (e) in section 61, for "35 to 35E, 39A, 39AA, 39B, 39C, 39D, 43A and 44 inclusive of this Act" substitute "35, 35A, 35B, 35D, 35E, 39A, 39AA, 39B, 39C, 39D and 43A inclusive of this Act and article 3 (age allowance) of the Income Tax (Individuals) (Temporary Taxation) Order 2008";

- (f) in section 65H(2) for “31A, 31D, 35, 35A, 35B, 39AA, 44, 44A, 48C and 61E of this Act” substitute “ 31A, 35, 35A, 35B, 39AA, 44A, 48C and 61E of this Act and article 3 (age allowance) of the Income Tax (Individuals) (Temporary Taxation) Order 2008”;
- (g) in section 65I(3) of the 1970 Act, for “31A, 31D, 35, 35A, 35B, 39AA, 44, 44A, 48C and 61E of this Act” substitute “31A, 35, 35A, 35B, 39AA, 44A, 48C and 61E of this Act and article 3 (age allowance) of the Income Tax (Individuals) (Temporary Taxation) Order 2008”.
- (2) The Income Tax (Retirement Benefit Schemes) Act 1978<sup>3</sup> is to operate as if modified as follows-
- (a) section 3(5) is repealed;
  - (b) in section 4(2) the words “and relief shall not be given under section 44 of the principal Act in respect of any contribution allowable as a deduction under this subsection” are repealed ; and
  - (c) section 5(1)(b) is repealed.
- (3) Section 30(2) of the Income Tax Act 1989<sup>4</sup> is repealed.
- (4) Section 4 of the Income Tax Act 1991<sup>5</sup> is repealed.
- (5) Section 15(2) of the Income Tax (Amendment) Act 2004 is repealed.

Made this 30<sup>th</sup> day of January 2008



Minister for the Treasury

---

<sup>3</sup> 1978 c.9

<sup>4</sup> 1989 c.10

<sup>5</sup> 1991 c.17

---

## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This temporary taxation order introduces from 6<sup>th</sup> April 2008 an additional age related allowance of £2,000 for those resident individuals that are aged 65 years or over for the whole of the year of assessment.

Where a married couple are jointly assessed and they are both over the age of 65 for the whole of the year of assessment, they will both be entitled to the additional age allowance. Under existing legislation all such allowances are restricted proportionately in the year residence commences and ceases. The allocation of allowances, deductions and reliefs of this nature are controlled by section 61 which this order amends to clarify the position for residents and non-residents in respect of this and other allowances.

Any unused balance of the age allowance can be transferred between spouses in the year of marriage or to the surviving spouse on death.

This order also abolishes training relief and life insurance relief for individuals from 6<sup>th</sup> April 2008.