



INCOME TAX ACT 2003

INCOME TAX (PERSONAL ALLOWANCE CREDIT) (AMENDMENT) REGULATIONS 2007

Laid before Tynwald 20th March 2007

Coming into operation on 6th April 2007

In exercise of the powers conferred on the Treasury by sections 14(1) and (2) of the Income Tax Act 2003 (a), and of all other enabling powers, the following Regulations are hereby made:-

Citation, commencement and interpretation

1. (1) These Regulations may be cited as the Income Tax (Personal Allowance Credit) (Amendment) Regulations 2007.
- (2) These Regulations shall have effect in respect of payments made after 5th April 2007 in respect of the income tax year commencing 6th April 2006 and subsequent years.
- (3) In these Regulations, “the Act” means the Income Tax Act 2003 (a).

Credit: individuals and married couples

2. (1) In section 5 of the Act -
 - (a) in subsection (1), for “£350.00” and “£6,000” substitute “£420.00” and “£6,170” respectively;
 - (b) in subsection (2) -
 - (i) for “£8,500” and “£1.40” substitute “£8,670 and “£1.68” respectively;
 - (ii) in the formula, where “D = 7.15” (the marginal rate reduction factor), substitute “D = 5.95”.
- (2) In section 6 of the Act -
 - (a) in subsection (2), for “£12,000” and “£500” substitute “£12,340” and “£840” respectively;
 - (b) in subsection (3) -
 - (i) for “£12,000” substitute “£12,340”;
 - (ii) for “£17,000” and “£1.40” substitute “£17,340” and “£1.68” respectively;
 - (iii) in the formula, where “D = 7.15” (the marginal rate reduction factor), substitute “D = 5.95”.

(a) 2003 c.11;

(3) In the Income Tax (Personal Allowance Credit)(Amendment) Regulations 2005 (b), regulations 3 and 4 are revoked.

(4) In the Income Tax (Personal Allowance Credit)(Amendment) Regulations 2006 (c), regulations 2 to 3 are revoked.

Made this 28th day of February 2007


Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations increase the maximum amount of personal allowance credit payable from £350.00 to £420.00 for single individuals and from £700.00 to £840.00 for jointly assessed married couples.

The Regulations increase the low income point for single taxpayers from £6,000 to £6,170 and the upper income point from £8,500 to £8,670. The low income point for jointly assessed married couples is increased from £12,000 to £12,340 and the upper income point is increased from £17,000 to £17,340.

The Regulations also change the marginal rate reduction factor to take account of the increased credit payable where a single person has income above £6,170 and a jointly assessed married couple has income above £12,340.

The increases apply to payments made after 6 April 2007 in respect of income levels in the tax year ending on 5th April 2007 and subsequent years.