

## INCOME TAX ACT 1995

### INCOME TAX (PERSONAL ALLOWANCE CREDIT) (TEMPORARY TAXATION) ORDER 2012

*Approved by Tynwald*

*22 February 2012*

*Coming into operation*

*24 February 2012*

The Treasury makes this Order under section 15 of the Income Tax Act 1995<sup>1</sup>.

#### **1 Title**

This Order is the Income Tax (Personal Allowance Credit) (Temporary Taxation) Order 2012.

#### **2 Commencement**

If approved by Tynwald<sup>2</sup>, this Order comes into operation on 24 February 2012 and shall have effect in respect of the income tax year ending 5 April 2012 and all subsequent years.

#### **3 Amendments to the Income Tax Act 2003**

(1) The Income Tax Act 2003<sup>3</sup> is amended as follows.

(2) In section 5(1), for “£700” substitute “£500”.

(3) In section 6(2), for “£1,400” substitute “£1,000”.

(4) In section 7(2)(a), for “£700” substitute “£500”.

(5) In section 7(2)(b), for “£1,400” substitute “£1,000”.

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<sup>1</sup> 1995 c.12

<sup>2</sup> As required by section 15(2) of the Income Tax Act 1995

<sup>3</sup> 2003 c.11


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(6) In section 14(2)(b), for “amending the amounts specified in sections 5 and 6” substitute “amending the amounts specified in sections 5, 6 and 7”.

(7) After section 14(2) insert –

“(2A) Regulations under this Part shall have effect in respect of the year of assessment specified in them (which may include the year of assessment in which the regulations were made and any subsequent year).”.

MADE 6<sup>th</sup> February 2012



Minister for the Treasury

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#### EXPLANATORY NOTE

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

This Order amends the Income Tax Act 2003 so as to decrease the amount of personal allowance credit payable to single taxpayers from £700 to £500 and the amount payable to jointly assessed couples from £1,400 to £1,000. The decrease applies to payments made in respect of the year of assessment ending 5 April 2012.

In addition, it enables the amount of credit payable to an individual or jointly assessed couple who are not required to submit an annual return to be amended by regulations.

It also provides certainty for the regulations to have effect in respect of the year of assessment in which they are made.