



INCOME TAX ACT 2003

INCOME TAX (PERSONAL ALLOWANCE CREDIT) (AMENDMENT) REGULATIONS 2005

Laid before Tynwald 15th February 2005

Coming into operation on 6th April 2005

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 2005.
- (2) These Regulations shall have effect in respect of payments made after the 5th April 2005 in respect of the income tax year commencing 6th April 2004 and subsequent years.
- (3) In these Regulations, “the Act” means the Income Tax Act 2003.

Revocation

2. The Income Tax (Personal Allowance Credit) (Amendment) Regulations 2004 (b) are revoked

Credit: individuals

3. In section 5 of the Act –
 - (a) in subsection (1), for “£222.50” (the maximum credit) substitute “£250.00”;
 - (b) in subsection (2), for “£8,225” (the upper income point) substitute “£8,500”.

Credit: married couples

4. In section 6 of the Act –
 - (a) in subsection (2), for “£445.00” (the maximum credit) substitute “£500.00”;
 - (b) in subsection (3), for “£16,450” (the upper income point) substitute “£17,000”.

(a) 2003 c.11; (b) S.D. 359/04

Gross Income:

5. In section 15 of the Act for the definition of “gross income” substitute new sub section (c)

“no deduction other than under section 31B of the 1970 Act (money expended in performance of duties), section 49 of the 1970 Act (retirement annuities (relief for premiums)) and section 13 of the 1989 Act (deduction from relevant earnings);”



Made this 17th day of January 2005

Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations increase the upper income point beyond which no personal allowance credit is payable from £8,225 to £8,500 for single individuals and from £16,450 to £17,000 for married couples. This increases the maximum amount of personal allowance credit payable from £222.50 to £250.00 for single individuals and from £445.00 to £500.00 for married couples. The Regulations also amend the definition of Gross Income to include deductions in respect of retirement annuity and personal pension premiums. The increases apply to payments made in the income tax year commencing 6 April 2005 and subsequent years.