

Statutory Document No. 2015/0013



*Income Tax Act 1970*

## **INCOME TAX (PERSONAL ALLOWANCE CREDIT) (TEMPORARY TAXATION) ORDER 2015**

*Approved by Tynwald: 17 February 2015*  
*Coming into Operation: 20 February 2015*

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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 Credit) (Temporary Taxation) Order 2015.

### **2 Commencement**

If approved by Tynwald<sup>1</sup>, this Order comes into operation on 20 February 2015 and shall have effect in respect of the income tax year ending 5 April 2015 and all subsequent years.

### **3 Amendment of the Income Tax Act 2003**

(1) The Income Tax Act 2003 is amended as follows.

(2) In section 2 –

(a) for subsection (1) substitute –

**☐** Subject to subsection (2), a claim for credit may be made by an individual who –

(a) was resident in the Island for the whole year of assessment in respect of which the payment is made; and

(b) was –

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<sup>1</sup> Tynwald approval is required by section 115A(2)

- (i) aged at least 65 at the commencement of that year of assessment;
    - (ii) entitled to Blind Person's Allowance in accordance with section 35A of the Income Tax Act 1970 (allowance for blind persons) during that year of assessment; or
    - (iii) entitled to Disabled Person's Allowance in accordance with section 35B of the Income Tax Act 1970 (allowance for disabled persons) during that year of assessment. **22**;
  - (b) for subsection (4) substitute –  
**23**In subsection (2)(c), “capped” means subject to an election approved by the Assessor under section 2ZA of the Income Tax Act 1970. **22**;
  - (c) subsection (5) is repealed.
- (3) In section 3, for the words after “civil partnership – ” substitute –
- 24**(a) was resident in the Island for the whole of the year of assessment in respect of which the claim is made; and
  - (b) was –
    - (i) aged at least 65 at the commencement of that year of assessment;
    - (ii) entitled to Blind Person's Allowance in accordance with section 35A of the Income Tax Act 1970 (allowance for blind persons) during that year of assessment; or
    - (iii) entitled to Disabled Person's Allowance in accordance with section 35B of the Income Tax Act 1970 (allowance for disabled persons) during that year of assessment;
  - (c) was not in full time education at any time during the year of assessment; and
  - (d) was not serving an immediate sentence of custody for the whole of the year of assessment. **22**.
- (4) In section 6 –
- (a) for subsection (4) substitute –  
**25**The circumstances are that one party to the marriage or civil partnership does not satisfy the conditions in paragraphs (a) to (d) of section 3 (qualification for credit: joint assessment of married couples and civil partners). **22**;
  - (b) for subsection (5) substitute –

❏ No credit is payable to the married couple or civil partners in respect of the year of assessment if neither spouse or partner satisfies the conditions in paragraphs (a) to (d) of section 3. ❏.

- (5) In section 7(2)(b), at the end insert ❏ subject to section 6(3) ❏.
- (6) In section 9, for “the Department of Social Care” substitute ❏ the Social Security Division of the Treasury ❏.

**MADE 19<sup>th</sup> January 2015**

**W E TEARE**  
*Minister for the Treasury*

***EXPLANATORY NOTE***

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

This Order amends the Income Tax Act 2003 so as to change the conditions that must be satisfied in order for a person to qualify for Personal Allowance Credit. The Order introduces a requirement for a person to be 65 years or over at the start of the tax year to which the credit relates or for the person to be entitled to either Blind Person's Allowance or Disabled Person's Allowance in that year. Married couples or civil partners who are jointly assessed and who both qualify for the credit will receive an amount equal to double that for a qualifying individual. However, if only one partner qualifies for the credit, the couple will receive an amount equal to that for a qualifying individual.