



Finance Act 1989

1989 CHAPTER 26

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Income tax rates and allowances

30 Charge and rates of income tax for 1989-90

- (1) Income tax shall be charged for the year 1989-90, and the basic rate of tax shall be 25 per cent.
- (2) The higher rate at which income tax is charged for the year 1989-90 in respect of so much of an individual's total income as exceeds the basic rate limit (£20,700) shall be 40 per cent.

31 Age allowance

- (1) In section 257 of the Taxes Act 1988—
 - (a) in subsection (3) (increased allowance for those aged 80 and over) for “80”, wherever occurring, there shall be substituted “75”, and
 - (b) in subsection (5) (age allowance withdrawn by two-thirds of amount by which income exceeds a specified limit) for “two-thirds” there shall be substituted “one half”.
- (2) This section shall have effect for the year 1989-90.

Status: This is the original version (as it was originally enacted).

32 Operative date for PAYE

For the year 1989-90, sections 1(5) and 257(10) of the Taxes Act 1988 (which specify the date from which indexed changes in the basic rate limit and in allowances are to be brought into account for the purposes of PAYE) shall have effect as if for the reference to 5th May there were substituted a reference to 18th May.

33 Married couples

- (1) Sections 257 to 257F and 265 of the Taxes Act 1988, as inserted for the year 1990-91 and subsequent years by the Finance Act 1988, shall be amended as follows.
- (2) In section 257(1) for “£2,605” there shall be substituted “£2,785”.
- (3) In section 257(2) for “£3,180” there shall be substituted “£3,400”.
- (4) In section 257(3)—
 - (a) for “80” there shall be substituted “75”, and
 - (b) for “£3,310” there shall be substituted “£3,540”.
- (5) In section 257(5)—
 - (a) for “£10,600” there shall be substituted “£11,400”, and
 - (b) for “two-thirds” there shall be substituted “one half”.
- (6) In section 257A(1) for “£1,490” there shall be substituted “£1,590”.
- (7) In section 257A(2) for “£1,855” there shall be substituted “£1,985”.
- (8) In section 257A(3)—
 - (a) for “80” there shall be substituted “75”, and
 - (b) for “£1,895” there shall be substituted “£2,025”.
- (9) In section 257A(5)—
 - (a) for “£10,600” there shall be substituted “£11,400”, and
 - (b) for “two-thirds” there shall be substituted “one half”.
- (10) In sections 257B(2), 257D(8) and 265(3) after paragraph (b) there shall be inserted “or
 - (c) on account of any payments to which section 593(2) or 639(3) applies,”.
- (11) In section 257E(1)(b) for “80” there shall be substituted “75”.
- (12) In section 257E(2)(a) for “£3,180” there shall be substituted “£3,400”.
- (13) In section 257E(2)(b) for “£3,310” there shall be substituted “£3,540”.