



Income Tax Act 2007

2007 CHAPTER 3

PART 2

BASIC PROVISIONS

CHAPTER 2

RATES AT WHICH INCOME TAX IS CHARGED

Starting rate limit and basic rate limit

21 Indexation of the [^{F1}basic rate limit and starting rate limit for savings]

- (1) This section applies if the [^{F2}consumer prices index] for the September before the start of a tax year is higher than it was for the previous September.

^{F3}(2)

- (3) The basic rate limit for the tax year is the amount found as follows.

Step 1

Increase the basic rate limit for the previous tax year by the same percentage as the percentage increase in the [^{F4}consumer prices index].

Step 2

If the result of Step 1 is a multiple of £100, it is the basic rate limit for the tax year.

If the result of Step 1 is not a multiple of £100, round it up to the nearest amount which is a multiple of £100.

That amount is the basic rate limit for the tax year.

- [^{F5}(3A) The starting rate limit for savings for the tax year is the amount found as follows.

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Step 1

Increase the starting rate limit for savings for the previous tax year by the same percentage as the percentage increase in the [^{F6}consumer prices index].

Step 2

If the result of Step 1 is a multiple of £10, it is the starting rate limit for savings for the tax year.

If the result of Step 1 is not a multiple of £10, round it up to the nearest amount which is a multiple of £10.

That amount is the starting rate limit for savings for the tax year.]

- (4) Subsections [^{F7}(3) and (3A)] do not require a change to be made in the amounts deductible or repayable under PAYE regulations during the period beginning on 6 April and ending on 17 May in the tax year.
- (5) Before the start of the tax year the Treasury must make an order replacing the amounts specified in [^{F8}sections 10 and 12] with the amounts which, as a result of subsections [^{F9}(3) and (3A)], are the [^{F10}basic rate limit and starting rate limit for savings] for the tax year.
- [^{F11}(6) In this section “consumer prices index” means the all items consumer prices index published by the Statistics Board.]

Textual Amendments

- F1** Words in s. 21 heading substituted (21.7.2008) by [Finance Act 2008 \(c. 9\), Sch. 1 para. 11\(6\)](#)
- F2** Words in s. 21(1) substituted (with effect in accordance with s. 4(4) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 4\(2\)\(a\)](#)
- F3** S. 21(2) omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\), Sch. 1 para. 11\(2\)](#)
- F4** Words in s. 21(3) substituted (with effect in accordance with s. 4(4) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 4\(2\)\(a\)](#)
- F5** S. 21(3A) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\), Sch. 1 para. 11\(3\)](#)
- F6** Words in s. 21(3A) substituted (with effect in accordance with s. 4(4) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 4\(2\)\(a\)](#)
- F7** Words in s. 21(4) substituted (21.7.2008) by [Finance Act 2008 \(c. 9\), Sch. 1 para. 11\(4\)](#)
- F8** Words in s. 21(5) substituted (21.7.2008) by [Finance Act 2008 \(c. 9\), Sch. 1 para. 11\(5\)\(a\)](#)
- F9** Words in s. 21(5) substituted (21.7.2008) by [Finance Act 2008 \(c. 9\), Sch. 1 para. 11\(5\)\(b\)](#)
- F10** Words in s. 21(5) substituted (21.7.2008) by [Finance Act 2008 \(c. 9\), Sch. 1 para. 11\(5\)\(c\)](#)
- F11** S. 21(6) inserted (with effect in accordance with s. 4(4) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 4\(2\)\(b\)](#)

Modifications etc. (not altering text)

- C1** S. 21 excluded (21.7.2009) by [Finance Act 2009 \(c. 10\), s. 2\(2\)](#)
- C2** S. 21 excluded (19.7.2011) by [Finance Act 2011 \(c. 11\), s. 2\(2\)](#)
- C3** S. 21 excluded (17.7.2012) by [Finance Act 2012 \(c. 14\), s. 2\(2\)](#)
- C4** S. 21 excluded (17.7.2013) by [Finance Act 2013 \(c. 29\), s. 3\(2\)](#)
- C5** S. 21 excluded (17.7.2014) by [Finance Act 2014 \(c. 26\), ss. 1\(4\)\(a\), 2\(2\)\(a\)](#)
- C6** S. 21 excluded (temp.) (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 3\(3\)](#)
- C7** S. 21 excluded (26.3.2015) by [Finance Act 2015 \(c. 11\), s. 4\(2\)](#)
- C8** S. 21 excluded (6.4.2015 for the tax year 2015-16) by [Finance Act 2014 \(c. 26\), s. 2\(2\)\(a\)](#)

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- C9** S. 21 excluded (temp.) (27.4.2017 in relation to the tax year 2017-18) by [Finance Act 2017 \(c. 10\), s. 4\(3\)](#)
- C10** S. 21 excluded (15.3.2018) by [Finance Act 2018 \(c. 3\), s. 5](#)
- C11** S. 21 excluded (12.2.2019) by [Finance Act 2019 \(c. 1\), s. 5\(5\)\(a\)](#)
- C12** S. 21 excluded (12.2.2019) by [Finance Act 2019 \(c. 1\), s. 6](#)
- C13** S. 21 excluded (for the tax year 2020-21) by [Finance Act 2020 \(c. 14\), s. 4](#)
- C14** [S. 21](#) excluded (6.4.2021 for the tax year 2021-22) by [Finance Act 2021 \(c. 26\), s. 4\(2\)](#)
- C15** [S. 21](#) excluded (for the tax year 2022-23) by [Finance Act 2022 \(c. 3\), s. 5\(2\)](#)
- C16** [S. 21](#) excluded (for the tax years 2022-23, 2023-24, 2024-25 and 2025-26) by [Finance Act 2021 \(c. 26\), s. 5\(3\)\(a\)](#)
- C17** S. 21 excluded (6.4.2023 for the tax year 2023-24) by [Finance Act 2023 \(c. 30\), s. 4\(2\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)