



Scotland Act 2012

2012 CHAPTER 11

PART 3

FINANCE

Scottish rate of income tax

26 Income tax for Scottish taxpayers

- (1) The Income Tax Act 2007 is amended as follows.
- (2) In section 6 (the rates of income tax) after subsection (2) insert—
 - “(2A) Subsection (2) does not apply to the non-savings income of a Scottish taxpayer.
 - (2B) The basic rate, higher rate and additional rate for a tax year on the non-savings income of a Scottish taxpayer is to be found as follows.
 - Step 1*
Take the basic rate, higher rate or additional rate determined as such under subsection (2).
 - Step 2*
Deduct 10 percentage points.
 - Step 3*
Add the Scottish rate (if any) set by the Scottish Parliament for that year.
 - (2C) Chapter 2 of Part 4A of the Scotland Act 1998 makes provision about the meaning of “Scottish taxpayer” and the setting of the Scottish rate.”
- (3) In section 10 (income charged at particular rates: individuals) after subsection (3A) insert—
 - “(3B) If the individual is a Scottish taxpayer, the basic rate, higher rate and additional rate are—

Status: This is the original version (as it was originally enacted).

- (a) on so much of the individual's income as is savings income, the rates determined as such under section 6(2);
 - (b) on so much of the individual's income as is not savings income, the rates determined as such under section 6(2B).
- (3C) Section 16 has effect for determining which part of a Scottish taxpayer's income consists of savings income."
- (4) In section 16 (savings and dividend income to be treated as highest part), in subsection (1) before paragraph (a) insert—
 - "(za) which part of a Scottish taxpayer's income consists of savings income,".
- (5) In section 809H (charge on nominated income of long-term UK resident), after subsection (3) insert—
 - "(3A) For the purpose of calculating income tax charged under subsection (2), ignore section 6(2A) to (2C) (special rates of income tax for Scottish taxpayers)."
- (6) In section 989 (definitions), in the definitions of "additional rate", "basic rate" and "higher rate", after "section 6(2)" insert "or (2B)".
- (7) In section 1 of the Provisional Collection of Taxes Act 1968 (temporary statutory effect of resolution of House of Commons), after subsection (3) insert—
 - "(3A) If a resolution specifies the basic rate, higher rate or additional rate of income tax, the resolution has effect in relation to Scottish taxpayers (within the meaning of Chapter 2 of Part 4A of the Scotland Act 1998) as if it specified the rate calculated in accordance with section 6(2A) to (2C) of the Income Tax Act 2007."
- (8) The amendments made by this section have effect in relation to the tax year appointed by the Treasury under section 25(5) and subsequent tax years.