



# Finance Act 2012

## 2012 CHAPTER 14

### PART 1

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 1

#### INCOME TAX AND CORPORATION TAX CHARGES AND RATE BANDS

##### *Income tax*

#### **1 Charge for 2012-13 and rates for 2012-13 and subsequent tax years**

- (1) Income tax is charged for the tax year 2012-13, and for that tax year—
  - (a) the basic rate is 20%,
  - (b) the higher rate is 40%, and
  - (c) the additional rate is 50%.
- (2) For the tax year 2013-14—
  - (a) the basic rate is 20%,
  - (b) the higher rate is 40%, and
  - (c) the additional rate is 45%.
- (3) In Chapter 2 of Part 2 of ITA 2007 (rates at which income tax is charged)—
  - (a) in section 8(3) (dividend additional rate), for “42.5%” substitute “ 37.5% ”,
  - (b) in section 9(1) (trust rate), for “50%” substitute “ 45% ”, and
  - (c) in section 9(2) (dividend trust rate), for “42.5%” substitute “ 37.5% ”.
- (4) In section 394 of ITEPA 2003 (charge on relevant benefits provided under employer-financed retirement benefits scheme), in subsection (4) for “50%” substitute “ 45% ”.

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***Changes to legislation:*** *There are currently no known outstanding effects for the Finance Act 2012, Section 1. (See end of Document for details)*

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- (5) In section 640 of ITTOIA 2005 (capital sums treated as income of the settlor: grossing-up of deemed income), in subsection (6)(b)—
- (a) omit the “and” at the end of sub-paragraph (ii),
  - (b) in sub-paragraph (iii) for “or any subsequent tax year.” substitute “, 2011-12 or 2012-13, and ”, and
  - (c) after that sub-paragraph insert—
    - “(iv) 45%, if the relevant year is the year 2013-14 or any subsequent tax year.”
- (6) The amendments made by subsections (3) to (5) have effect for the tax year 2013-14 and subsequent tax years.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2012, Section 1.