



Finance (No. 2) Act 2015

2015 CHAPTER 33

PART 1

PRINCIPAL RATES ETC

Tax lock

1 Income tax lock

- (1) For any tax year to which this section applies—
 - (a) the basic rate of income tax shall not exceed 20%,
 - (b) the higher rate of income tax shall not exceed 40%, and
 - (c) the additional rate of income tax shall not exceed 45%.
- (2) This section applies to a tax year—
 - (a) which begins after the day on which this Act is passed but before the date of the first parliamentary general election after that day, and
 - (b) for which income tax is charged.

2 VAT lock

- (1) The rate of value added tax for the time being in force under section 2 of VATA 1994 (standard rate) shall not exceed 20% during the VAT lock period.
- (2) The rate of value added tax for the time being in force under section 29A of VATA 1994 (reduced rate) shall not exceed 5% during the VAT lock period.
- (3) No supply specified in Schedule 7A to VATA 1994 (charge at reduced rate) at the beginning of the VAT lock period may be removed from it under section 29A(3) of that Act during that period.
- (4) No goods, services or supply specified in Schedule 8 to VATA 1994 (zero-rating) at the beginning of the VAT lock period may be removed from it under section 30(4) of that Act during that period.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2015, PART 1. (See end of Document for details)

- (5) In this section the “VAT lock period” means the period beginning with the day on which this Act is passed and ending immediately before the date of the first parliamentary general election after that day.

Personal allowance and basic rate limit for income tax

^{F1}3 Personal allowance and national minimum wage

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Textual Amendments

F1 [S. 3](#) omitted (12.2.2019) by virtue of [Finance Act 2019 \(c. 1\)](#), [s. 5\(4\)\(b\)](#)

^{F2}4 Personal allowance and national minimum wage: Chancellor's duties

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Textual Amendments

F2 [S. 4](#) omitted (12.2.2019) by virtue of [Finance Act 2019 \(c. 1\)](#), [s. 5\(3\)](#)

5 Personal allowance from 2016

In section 5(1) of FA 2015 (personal allowance from 2016)—

- (a) in paragraph (a) (personal allowance for 2016-17), for “ “£10,800” ” substitute “ “£11,000” ”, and

^{F3}(b)

Textual Amendments

F3 [S. 5\(b\)](#) omitted (15.9.2016) by virtue of [Finance Act 2016 \(c. 24\)](#), [s. 3\(2\)](#)

6 Basic rate limit from 2016

In section 4(1) of FA 2015 (basic rate limit from 2016)—

- (a) in paragraph (a) (basic rate limit for 2016-17), for “ “£31,900” ” substitute “ “£32,000” ”, and

^{F4}(b)

Textual Amendments

F4 [S. 6\(b\)](#) omitted (15.9.2016) by virtue of [Finance Act 2016 \(c. 24\)](#), [s. 2\(2\)](#)

*Changes to legislation: There are currently no known outstanding effects
for the Finance (No. 2) Act 2015, PART 1. (See end of Document for details)*

Corporation tax

7 Rate of corporation tax for financial years 2017-2020

(1) For the financial years 2017, 2018 and 2019 the main rate of corporation tax is 19%.

^{F5}(2)

Textual Amendments

F5 S. 7(2) omitted (22.7.2020) by virtue of [Finance Act 2020 \(c. 14\), s. 5\(2\)](#)

Capital allowances

8 Annual investment allowance

- (1) In section 51A of CAA 2001 (entitlement to annual investment allowance), for the amount specified in subsection (5) as the maximum allowance (which in the absence of this section would be £25,000 in relation to expenditure incurred on or after 1 January 2016) substitute “ £200,000 ”.
- (2) The amendment made by subsection (1) has effect in relation to expenditure incurred on or after 1 January 2016.
- (3) Subsection (2) is subject to paragraphs 4 and 5 of Schedule 2 to FA 2014 (which relate to cases involving chargeable periods which begin before 1 January 2016 and end on or after that day).

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 2015, PART 1.