



# Scotland Act 2016

## 2016 CHAPTER 11

### PART 2

#### TAX, BORROWING AND FINANCIAL INFORMATION

##### *Income tax*

#### **14 Amendments of Income Tax Act 2007**

- (1) The Income Tax Act 2007 is amended as follows.
- (2) Section 6 (rates at which income tax is charged) is amended as follows.
- (3) In subsection (3) omit paragraph (za).
- (4) After that subsection insert—
  - “(4) See also section 80C of the Scotland Act 1998 which makes provision for the purposes of section 11A (income charged at Scottish rates).”
- (5) Omit section 6A (the Scottish basic, higher and additional rates).
- (6) In section 10(4) for “the Scottish basic, higher and additional” substitute “Scottish”.
- (7) Section 11A (income charged at the Scottish basic, higher and additional rates) is amended as follows.
- (8) For subsections (1) to (3) substitute—
  - “(1A) Income tax is charged at Scottish rates on the non-savings income of a Scottish taxpayer.”
- (9) In subsection (6) for the words after “determining” substitute “which part of a Scottish taxpayer’s income consists of savings income”.
- (10) In the title for “the Scottish basic, higher and additional” substitute “Scottish”.
- (11) In section 13 (income charged at dividend rates)—

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*Status: This is the original version (as it was originally enacted).*

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- (a) in subsection (1)(b) omit “or the Scottish basic rate,”,
- (b) in subsection (2)(b) omit “or the Scottish higher rate,”,
- (c) in subsection (2A)(b) omit “or the Scottish additional rate,”,
- (d) in subsection (4) omit “or the Scottish basic, higher or additional rate”, and
- (e) after subsection (4) insert—

“(5) In relation to an individual who is a Scottish taxpayer, references in this section to income that would otherwise be charged at a particular rate are to be read as references to income that would, if the individual were not a Scottish taxpayer, be charged at that rate (and subsection (4) is to be read accordingly).”

- (12) For section 16(1)(za) (purposes for which section 16 has effect in relation to income tax of a Scottish taxpayer) substitute—

“(za) which part of a Scottish taxpayer’s income consists of savings income.”.

- (13) In section 989 (definitions for the purposes of the Income Tax Acts)—

- (a) omit the definitions of “Scottish additional rate” and “Scottish higher rate”,
- (b) in the definition of “Scottish basic rate”, for the words after “Scottish basic rate” substitute “in relation to a tax year, means the Scottish basic rate set by a Scottish rate resolution for that year”, and
- (c) at the appropriate place insert—
  - ““Scottish rate” in relation to a tax year, means a rate set by a Scottish rate resolution for that year,”, and
  - ““Scottish rate resolution” means a resolution of the Scottish Parliament under section 80C of the Scotland Act 1998.”.

- (14) In Schedule 4 (index of defined expressions)—

- (a) omit the entries relating to the Scottish additional rate and the Scottish higher rate,
- (b) in the entry relating to the Scottish basic rate for “6A (as applied by section 989)” substitute “989”,
- (c) at the appropriate place insert—

“Scottish rate | section 989”

- (d) at the appropriate place insert—

“Scottish rate resolution | section 989”

- (15) The amendments made by this section—

- (a) come into force on the day appointed by the Treasury under section 13(14), and
- (b) have effect in relation to the tax year appointed by the Treasury under section 13(15) and subsequent tax years.