

1984 No. 344

INCOME TAX

The Income Tax (Indexation) Order 1984

Made - - - - 13th March 1984

The Treasury, in pursuance of section 24(9) of the Finance Act 1980(a), hereby make the following Order:—

1. This Order may be cited as the Income Tax (Indexation) Order 1984.

2.—(1) The amounts which, unless Parliament otherwise determines, will be treated by virtue of section 24 of the Finance Act 1980 as specified for the year 1984–85 in section 32 of the Finance Act 1971(b) and section 8 of the Income and Corporation Taxes Act 1970(c) are as follows.

(2) In section 32 of the said Act of 1971 (basic rate limit, investment income threshold and higher rate bands)—

- (a) the basic rate limit £15,400;
- (b) the investment income threshold £7,500;
- (c) the higher rate bands—

<i>Band</i>	<i>Part of total income in excess of basic rate limit</i>
First	The first £2,800
Second	The next £4,900
Third	The next £7,500
Fourth	The next £7,500
Fifth	The remainder.

(3) In section 8 of the said Act of 1970 (personal allowances)—

- (a) subsection (1)(a) (married) £2,945;
- (b) subsection (1)(b) and (2) (single and wife's earned income relief) £1,885;
- (c) subsection (1A)(a) and (b) (age allowance) £3,955 and £2,490;
- (d) subsection (1B) (income limit for age allowance) £8,100.

*T. Garel-Jones,
D. J. F. Hunt,*
Two of the Lords Commissioners
of Her Majesty's Treasury.

13th March 1984.

(a) 1980 c.48.

(b) 1971 c.68.

(c) 1970 c.10.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Section 24 of the Finance Act 1980 provides that the Treasury shall by order made by statutory instrument before 6 April 1984 specify the amounts which by virtue of that section shall, unless Parliament otherwise determines, be treated as specified for the year 1984/85. These are the thresholds for the higher rates of tax—the basic rate limit and the higher rate bands—and the investment income surcharge (section 32, Finance Act 1971) and the personal allowances (section 8, Income and Corporation Taxes Act 1970), increased in accordance with the increase in the retail prices index for December 1983 over that for December 1982. The “retail prices index” is defined in section 24(8) as “the general index of retail prices (for all items) published by the Department of Employment”.

The retail prices index for December 1983 is 342·8 and for December 1982 325·5 (based on January 1974 as 100). (Table 6·4 of the Department of Employment Gazette, January 1984). This order specifies the amounts which take account of that increase. They will have effect for income tax for the year 1984–85 unless Parliament otherwise determines.

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