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STATUTORY INSTRUMENTS

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**2017 No. 468**

**The Scotland Act 2016 (Income Tax  
Consequential Amendments) Regulations 2017**

**Amendments to the Finance Act 2004**

- 4.—(1) Section 227(1) (annual allowance charge) is amended as follows.
- (2) In subsection (4A)—
- (a) in paragraph (a) omit “or, in the case of a Scottish taxpayer, the Scottish basic rate”,
  - (b) in paragraph (b) omit, “or, in the case a Scottish taxpayer, the Scottish higher rate”, and
  - (c) in paragraph (c) omit, “or, in the case of a Scottish taxpayer, the Scottish additional rate”.
- (3) At the end of subsection (4A) insert—
- “But subsection (4AA) applies in the case of a Scottish taxpayer.”.
- (4) After subsection (4A) insert—
- “(4AA) The appropriate rate for a Scottish taxpayer is—
- (a) where the only Scottish rate is the Scottish basic rate (the “SBR”), that rate, or
  - (b) where there is more than one Scottish rate—
    - (i) the SBR in relation to so much (if any) of the chargeable amount as, when added to the individual’s reduced net income for the tax year, does not exceed the Scottish basic rate limit (“SBRL”) for the tax year,
    - (ii) the next highest rate after the SBR in relation to so much (if any) of the chargeable amount as, when so added, exceeds the SBRL for the tax year but does not exceed the rate limit for that rate for the tax year, and
    - (iii) where applicable, any other higher Scottish rate in relation to so much (if any) of the chargeable amount as, when so added, does not exceed the rate limit for that rate for the tax year.”.
- (5) For subsection (4C) substitute—
- “(4C) Where—
- (a) the basic rate limit,
  - (b) the higher rate limit,
  - (c) the Scottish basic rate limit, or
  - (d) any other Scottish rate limit,
- is (in accordance with section 192 of this Act or section 414 of ITA 2007) increased in the case of the individual, the references to the limit in subsections (4A) and (4AA) are to the limit as so increased.”.

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(1) Section 227 was amended by paragraph 45 of Schedule 16 and paragraphs 1 and 3 of Schedule 17 to the Finance Act 2011 (c. 11), paragraph 63 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30) and S.I. 2015/1810.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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