
STATUTORY INSTRUMENTS

2017 No. 468

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

Amendments to the Finance (No.2) Act 2005

9.—(1) Section 7 of the Finance (No.2) Act 2005⁽¹⁾ (charge to income tax on social security pension lump sum) is amended as follows.

(2) In subsection (5)—

- (a) after the words “a charge under this section” insert “for a person who is not a Scottish tax payer in the applicable year of assessment”,
- (b) in paragraph (c) omit “or, if P is a Scottish taxpayer, the Scottish basic rate”,
- (c) in paragraph (d) omit “or, if P is a Scottish taxpayer, the Scottish higher rate”, and
- (d) in paragraph (e) omit “or, if P is a Scottish taxpayer, the Scottish additional rate”.

(3) After subsection (5) insert—

“(5A) Where P is a Scottish taxpayer in the applicable year of assessment, a charge under this section is a charge in respect of the amount of the lump sum at the following rate—

- (a) if P’s Step 3 income for the applicable year of assessment is nil, 0%;
- (b) if P’s Step 3 income for that year of assessment is greater than nil but does not exceed the Scottish basic rate limit for that year, the Scottish basic rate for that year;
- (c) if P’s Step 3 income for that year of assessment exceeds the Scottish basic rate limit for that year, the highest Scottish rate for that tax year that is applicable to P.”.

⁽¹⁾ 2005 c. 22. Section 7 was amended by paragraphs 64 and 65 of Schedule 1 to the Finance Act 2008 (c. 9), paragraph 24 of Schedule 2 to the Finance Act 2009, paragraphs 134 and 135 of Schedule 46 to the Finance Act 2013 (c. 29), paragraph 604 of Schedule 1 to the Income Tax Act 2007 and by S.I. 2015/1810.