
STATUTORY INSTRUMENTS

2018 No. 459

**The Scottish Rates of Income Tax
(Consequential Amendments) Order 2018**

Amendments to the Income Tax Act 2007

6.—(1) The Income Tax Act 2007(1) is amended as follows.

(2) In sections 55B(2)(b)(2) and 55C(1)(c)(3) (entitlement to transferable tax allowance for married couples and civil partners), after “the Scottish basic rate,” insert “a Scottish rate below the Scottish basic rate, the Scottish intermediate rate,”.

(3) In section 58(2)(4) (meaning of “adjusted net income”), omit the words after “by reference to the basic rate for the tax year”.

(4) In section 414(2)(5) (gift aid: relief for gifts to charity) —

(a) in paragraph (a), for the words after “deduction of” substitute “income tax at the basic rate, and”, and

(b) in paragraph (b) for “the Scottish basic rate limit and any other Scottish rate limit,” substitute “the upper limit for the Scottish basic rate and the limits for any Scottish rates above the Scottish basic rate,”.

(5) In section 415(6) (gift aid: meaning of “grossed up amount”) omit the words after “by reference to the basic rate for the tax year in which the gift is made”.

(6) In section 745(7) (rates of tax applicable to income charged under sections 720 and 727 etc)—

(a) after subsection (1) insert—

“(1A) Income tax at a Scottish rate above 0% and below, or equal to, the basic rate is not charged under section 720 or 727 in respect of any income if (and to the corresponding extent that) the income mentioned in section 721(2) or 728(1)(a) has borne tax at the basic rate.”,

(b) in subsection (2) for “Subsection (1) does” substitute “Subsections (1) and (1A) do”, and

(c) in subsection (3) for “subsection (1) does not apply” substitute “neither of subsections (1) and (1A) applies”.

(7) In section 828B(5)(8) (conditions to be met)—

(a) before “the Scottish basic rate” insert “a Scottish rate below the Scottish basic rate,”, and

(1) [2007 c. 3](#).

(2) Section 55B was inserted by section 11(2) of FA 2014. Subsection (2)(b) was amended by article 14(3)(a) of [S.I. 2015/1810](#) and sections 4(8) and 5(6)(a) of FA 2016.

(3) Section 55C was inserted by section 11(2) of FA 2014. Subsection (1)(c) was amended by article 14(4) of [S.I. 2015/1810](#) and sections 4(8) and 5(7)(a) of FA 2016.

(4) Section 58 was amended by article 14(5) of [S.I. 2015/1810](#).

(5) Section 414 was amended by paragraph 20 of Schedule 1 to FA 2008, paragraph 6 of Schedule 2 to the Finance Act [2009 \(c. 10\)](#) (“FA 2009”), article 14(6) of [S.I. 2015/1810](#) and article 10(2) of [S.I. 2017/468](#).

(6) Section 415 was amended by article 14(7) of [S.I. 2015/1810](#).

(7) Section 745 was amended by paragraph 24 of Schedule 1 to FA 2008, paragraph 18(2) and (3) of Schedule 10 to the Finance Act [2013 \(c. 29\)](#), and section 4(9) of, and paragraph 63(12)(a) and (b) of Schedule 1 to, FA 2016.

(8) Section 828B was inserted by section 52 of the Finance Act [2009 \(c. 10\)](#) and was amended by paragraph 9 of Schedule 8 to FA 2014 and section 6 of FA 2016.

(b) after “the Scottish basic rate” insert “, the Scottish intermediate rate”.

(8) In section 989(9) (definitions for the purposes of the Income Tax Acts), before the definition of “Scottish rate” insert—

““Scottish intermediate rate”, in relation to a tax year, means any Scottish rate for that year which is named “intermediate” by the Scottish rate resolution setting it,”.

(9) In Schedule 4(10) (index of defined expressions), before the definition of “Scottish rate” insert—

“Scottish intermediate rate section 989”.

(9) The definition of “Scottish rate” was inserted by section 14(13)(c) of SA 2016. There are other amendments to section 989 but none are relevant.

(10) The definition of “Scottish rate” was inserted by section 14(14)(c) of SA 2016. There are other amendments to Schedule 4 but none are relevant.