



Finance Act 2023

2023 CHAPTER 1

Income tax

6 Threshold at which additional rate is charged

- (1) In section 10 of the Income Tax Act 2007 (income charged at the basic, higher and additional rates: individuals), for subsection (5A) substitute—

“(5A) The higher rate limit for a tax year is equal to—

- (a) twice the amount specified in subsection (1) of section 35 (personal allowance) for the tax year, plus
- (b) the amount specified in subsection (2) of that section (amount at which personal allowance starts to be withdrawn).

(5B) Before the start of the tax year the Treasury must make an order specifying the amount which is, as a result of subsection (5A), the higher rate limit for the tax year.”

- (2) In section 1014(5)(b) of that Act (orders and regulations to which no Parliamentary procedure applies), before sub-paragraph (i) insert—

“(ai) section 10(5B) (the higher rate limit).”

- (3) The subsection (5A) of section 10 of that Act as substituted by subsection (1) has effect for the tax year 2023-24 and subsequent tax years.
- (4) For each of the tax years 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28, the amount of the higher rate limit is £125,140.
- (5) In consequence of the provision made by subsection (4), the new subsection (5B) of section 10 of that Act (as inserted by subsection (1)) has effect for the tax year 2028-29 and subsequent tax years.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2023, Section 6.