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STATUTORY INSTRUMENTS

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**2019 No. 201**

**The Devolved Income Tax Rates  
(Consequential Amendments) Order 2019**

**Amendments to the Finance (No. 2) Act 2005**

**11.**—(1) Section 7 of the Finance (No. 2) Act 2005<sup>(1)</sup> (charge to income tax on lump sum) is amended as follows.

(2) In subsection (5) for “not a Scottish tax payer” substitute “neither a Scottish taxpayer nor a Welsh taxpayer”.

(3) After subsection (5A)<sup>(2)</sup> insert—

“(5B) Where P is a Welsh 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 basic rate limit for that year, the Welsh basic rate for that year;
- (c) if P’s step 3 income for that year of assessment is greater than the basic rate limit but does not exceed the higher rate limit for that year, the Welsh higher rate for that year;
- (d) if P’s step 3 income for that year of assessment is greater than the higher rate limit for that year, the Welsh additional rate for that year.”.

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(1) 2005 c. 22.

(2) Subsection (5A) was inserted by S.I. 2017/468.