STATUTORY INSTRUMENTS

2016 No. 1175

INCOME TAX

The Income Tax (Indexation) Order 2016

Made - - - - 5th December 2016

The Treasury, in exercise of the powers conferred by section 57(6) of the Income Tax Act 2007(**1**), make the following Order:

Citation and interpretation

1.—(1) This Order may be cited as the Income Tax (Indexation) Order 2016.

(2) In this Order, references to sections are references to sections of the Income Tax Act 2007.

Indexation of allowances for the tax year 2017-18

2. For the tax year 2017-18—

(a) the amount specified in section 38(1)(**2**) (blind person's allowance) is replaced with "£2,320";

(b) the amount specified in section 43(**3**) (tax reductions for married couples and civil partners: the minimum amount) is replaced with "£3,260";

(c) the amount specified in section 45(3)(a)(**4**) (married couple's allowance: marriages before 5 December 2005) is replaced with "£8,445";

(d) the amount specified in section 46(3)(a)(**5**) (married couple's allowance: marriages and civil partnerships on or after 5 December 2005) is replaced with "£8,445";

(e) the amounts specified in sections 45(4) and 46(4)(**6**) (adjusted net income limit) are replaced with "£28,000".

(**1**) 2007 c. 3; section 57 was amended by section 4 of the Finance Act 2009 (c. 10), section 4(6) of the Finance Act 2012 (c. 14), Part 10 of Schedule 1 to the Statute Law (Repeals) Act 2013 (c. 2) ("SLRA 2013"), section 4(3) of the Finance Act 2014 (c. 26) and section 5(10) of the Finance Act 2015 (c. 11) ("FA 2015").

(**2**) The amount specified in section 38(1) was last substituted by section 2(1) of FA 2015.

(**3**) The amount specified in section 43 was last substituted by section 2(1) of FA 2015.

(**4**) Section 45(3) was amended by Part 10 of Schedule 1 to the SLRA 2013. The amount specified in section 45(3)(a) was last substituted by section 2(1) of FA 2015.

(**5**) Section 46(3) was amended by Part 10 of Schedule 1 to the SLRA 2013. The amount specified in section 46(3)(a) was last substituted by section 2(1) of FA 2015.

(**6**) Section 45(4) was amended by section 5(6) of FA 2015. Section 46(4) was amended by section 5(7) of FA 2015. The amounts specified in sections 45(4) and 46(4) were last substituted by section 2(1) of FA 2015.