



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 2

#### BASIC PROVISIONS

#### CHAPTER 2

#### RATES AT WHICH INCOME TAX IS CHARGED

##### *The rates*

### 6 The <sup>F1</sup>... basic rate [<sup>F2</sup>, higher rate and additional rate]

(1) The main rates at which income tax is charged are—

- <sup>F3</sup>(a) .....
- (b) the basic rate, <sup>F4</sup>...
- (c) the higher rate [<sup>F5</sup>, and
- (d) the additional rate.]

(2) The <sup>F6</sup>... basic rate [<sup>F7</sup>, higher rate and additional rate] for a tax year are the rates determined as such by Parliament for the tax year.

<sup>F8</sup>(2A) .....

<sup>F8</sup>(2B) .....

<sup>F8</sup>(2C) .....

(3) For other rates at which income tax is charged see—

- <sup>F9</sup>(za) .....
- [<sup>F10</sup>(zb) section 6B (Welsh basic, higher and additional rates),]
- [<sup>F11</sup>(zc) section 6C (default basic, higher and additional rates),]
- [<sup>F12</sup>(a) section 7 (starting rate for savings [<sup>F13</sup>and savings nil rate]).]

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- [<sup>F14</sup>(aa) section 7A (savings basic, higher and additional rates),]
- (b) section 8 ([<sup>F15</sup>dividend nil rate,] dividend ordinary rate [<sup>F16</sup>, dividend upper rate and dividend additional rate]), and
- (c) section 9 (trust rate and dividend trust rate).

[<sup>F17</sup>(4) See also section 80C of the Scotland Act 1998 which makes provision for the purposes of section 11A (income charged at Scottish rates)]

#### Textual Amendments

- F1** Words in s. 6 heading omitted (21.7.2008 with effect in accordance with s. 5(6) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), s. 5\(5\)](#)
- F2** Words in s. 6 heading substituted (with effect in accordance with Sch. 2 para. 25 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 2 para. 2\(3\)](#)
- F3** S. 6(1)(a) omitted (21.7.2008 with effect in accordance with s. 5(6) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), s. 5\(2\)](#)
- F4** Word in s. 6(1)(b) omitted (with effect in accordance with s. 6(6) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), s. 6\(2\)](#)
- F5** S. 6(1)(d) and preceding word inserted (with effect in accordance with s. 6(6) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 6\(2\)](#)
- F6** Words in s. 6(2) omitted (21.7.2008 with effect in accordance with s. 5(6) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), s. 5\(3\)](#)
- F7** Words in s. 6(2) substituted (with effect in accordance with Sch. 2 para. 25 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 2 para. 2\(2\)](#)
- F8** S. 6(2A)-(2C) omitted (with effect in accordance with Sch. 38 para. 12 of the amending Act) by virtue of [Finance Act 2014 \(c. 26\), Sch. 38 para. 2\(a\)](#)
- F9** S. 6(3)(za) omitted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Scotland Act 2016 \(c. 11\), ss. 13\(14\), 14\(3\)\(15\), 72\(3\)](#); S.I. 2016/1161, [regs. 2, 3](#)
- F10** S. 6(3)(zb) inserted (24.7.2018) by [Wales Act 2014 \(c. 29\), ss. 9\(2\), 14, 29\(4\)](#); S.I. 2018/892, [art. 3](#) (with [arts. 5, 6, 8](#))
- F11** S. 6(3)(zc) inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Finance Act 2016 \(c. 24\), s. 6\(5\)\(a\)\(24\)](#); S.I. 2016/1161, [regs. 2, 3](#)
- F12** S. 6(3)(a) substituted (21.7.2008 with effect in accordance with s. 5(6) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 5\(4\)](#)
- F13** Words in s. 6(3)(a) inserted (with effect for the tax year 2016-17 and subsequent years) by [Finance Act 2016 \(c. 24\), s. 4\(2\)\(17\)](#)
- F14** S. 6(3)(aa) inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Finance Act 2016 \(c. 24\), s. 6\(5\)\(b\)\(24\)](#); S.I. 2016/1161, [regs. 2, 3](#)
- F15** Words in s. 6(3)(b) inserted (with effect for the tax year 2016-17 and subsequent years) by [Finance Act 2016 \(c. 24\), s. 5\(2\)\(10\)](#)
- F16** Words in s. 6(3)(b) substituted (with effect in accordance with s. 6(6) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 6\(3\)](#)
- F17** S. 6(4) inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Scotland Act 2016 \(c. 11\), ss. 13\(14\), 14\(4\)\(15\), 72\(3\)](#); S.I. 2016/1161, [regs. 2, 3](#)

#### <sup>F18</sup>6A The Scottish basic, higher and additional rates

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#### Textual Amendments

- F18** S. 6A omitted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Scotland Act 2016 \(c. 11\)](#), ss. 13(14), 14(5)(15), 72(3); [S.I. 2016/1161](#), regs. 2, 3

### [<sup>F19</sup>6B The Welsh basic, higher and additional rates

- (1) The Welsh basic rate, the Welsh higher rate and the Welsh additional rate for a tax year are calculated as follows.

*Step 1* Take the basic rate, higher rate or additional rate.

*Step 2* Deduct 10 percentage points.

*Step 3* Add the Welsh rate (if any) set by the National Assembly for Wales for that year for the purpose of calculating the Welsh basic rate, the Welsh higher rate or the Welsh additional rate (as the case may be).

- (2) For provision about the setting of the Welsh rates, see Chapter 2 of Part 4A of the Government of Wales Act 2006.]

#### Textual Amendments

- F19** S. 6B inserted (24.7.2018) by [Wales Act 2014 \(c. 29\)](#), ss. 9(3), 14, 29(4); [S.I. 2018/892](#), art. 3 (with arts. 5, 6, 8)

### [<sup>F20</sup>6C The default basic, higher and additional rates

The default basic rate, default higher rate and default additional rate for a tax year are the rates determined as such by Parliament for the tax year.]

#### Textual Amendments

- F20** S. 6C inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Finance Act 2016 \(c. 24\)](#), s. 6(3)(24); [S.I. 2016/1161](#), regs. 2, 3

## 7 The starting rate for savings [<sup>F21</sup> and savings nil rate]

[<sup>F22</sup>(1)] The starting rate for savings is 0%.

[<sup>F23</sup>(2)] The savings nil rate is 0%]

#### Textual Amendments

- F21** Words in s. 7 heading inserted (with effect for the tax year 2016-17 and subsequent years) by [Finance Act 2016 \(c. 24\)](#), s. 4(3)(c)(17)
- F22** S. 7 renumbered as s. 7(1) (with effect for the tax year 2016-17 and subsequent years) by [Finance Act 2016 \(c. 24\)](#), s. 4(3)(a)(17)
- F23** S. 7(2) inserted (with effect for the tax year 2016-17 and subsequent years) by [Finance Act 2016 \(c. 24\)](#), s. 4(3)(b)(17)

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## **[<sup>F24</sup>7A The savings basic, higher and additional rates**

The savings basic rate, savings higher rate and savings additional rate for a tax year are the rates determined as such by Parliament for the tax year.]

### **Textual Amendments**

**F24** S. 7A inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Finance Act 2016 \(c. 24\), s. 6\(4\)\(24\)](#); S.I. 2016/1161, [regs. 2, 3](#)

## **8 The [<sup>F25</sup>dividend nil rate,] dividend ordinary rate<sup>F26</sup>, dividend upper rate and dividend additional rate]**

[<sup>F27</sup>(A1) The dividend nil rate is 0%.]

(1) The dividend ordinary rate is [<sup>F28</sup>8.75%].

(2) The dividend upper rate is [<sup>F29</sup>33.75%].

[<sup>F30</sup>(3) The dividend additional rate is [<sup>F31</sup>39.35%].]

### **Textual Amendments**

**F25** Words in s. 8 heading inserted (with effect for the tax year 2016-17 and subsequent years) by [Finance Act 2016 \(c. 24\), s. 5\(3\)\(a\)\(10\)](#)

**F26** Words in s. 8 heading substituted (with effect in accordance with Sch. 2 para. 25 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 2 para. 3\(3\)](#)

**F27** S. 8(A1) inserted (with effect for the tax year 2016-17 and subsequent years) by [Finance Act 2016 \(c. 24\), s. 5\(3\)\(b\)\(10\)](#)

**F28** Word in s. 8(1) substituted (with effect for the tax year 2022-23 and subsequent tax years) by [Finance Act 2022 \(c. 3\), s. 4\(1\)\(a\)\(3\)](#)

**F29** Word in s. 8(2) substituted (with effect for the tax year 2022-23 and subsequent tax years) by [Finance Act 2022 \(c. 3\), s. 4\(1\)\(b\)\(3\)](#)

**F30** S. 8(3) inserted (with effect in accordance with Sch. 2 para. 25 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 2 para. 3\(2\)](#)

**F31** Word in s. 8(3) substituted (with effect for the tax year 2022-23 and subsequent tax years) by [Finance Act 2022 \(c. 3\), s. 4\(1\)\(c\)\(3\)](#)

## **9 The trust rate and dividend trust rate**

(1) The trust rate is [<sup>F32</sup>45%].

(2) The dividend trust rate is [<sup>F33</sup>39.35%].

### **Textual Amendments**

**F32** Words in s. 9(1) substituted (17.7.2012) (with effect in accordance with s. 1(6) of the amending Act) by [Finance Act 2012 \(c. 14\), s. 1\(3\)\(b\)](#)

**F33** Word in s. 9(2) substituted (with effect for the tax year 2022-23 and subsequent tax years) by [Finance Act 2022 \(c. 3\), s. 4\(2\)\(3\)](#)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)