



Finance Act 2019

2019 CHAPTER 1

PART 1

DIRECT TAXES

Income tax rates, allowances and limits

5 Basic rate limit and personal allowance

- (1) For the tax years 2019-20 and 2020-21, the amount specified in section 10(5) of ITA 2007 (basic rate limit) is “£37,500”.
- (2) For the tax years 2019-20 and 2020-21, the amount specified in section 35(1) of ITA 2007 (personal allowance) is “£12,500”.
- (3) In consequence of the amendment made by subsection (2), omit section 4 of F(No.2)A 2015 (which has effect only if the personal allowance is less than £12,500).
- (4) Omit the following (which relate to the link between the personal allowance and the national minimum wage)—
 - (a) sections 57(8), 57A and 1014(5)(b)(ia) of ITA 2007, and
 - (b) section 3 of F(No.2)A 2015.
- (5) In consequence of the provision made by this section—
 - (a) section 21 of ITA 2007 (indexation of basic rate limit and starting rate limit for savings) does not apply in relation to the basic rate limit, and
 - (b) section 57 of ITA 2007 (indexation of allowances) does not apply in relation to the amount specified in section 35(1) of that Act,for the tax years 2019-20 and 2020-21.