



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Foster carers etc

28 Qualifying care relief: increase in individual's limit

- (1) Chapter 2 of Part 7 of ITTOIA 2005 (qualifying care relief) is amended as follows.
- (2) In section 808 (the individual's limit)—
 - (a) in subsection (2), for “£10,000” substitute “£18,140”, and
 - (b) omit subsection (3) (which confers a power to amend that amount).
- (3) In section 811 (the amount per adult or child)—
 - (a) in subsection (1A) (weekly amount for adult), for “£250” substitute “£450”,
 - (b) in subsection (2)(a) (weekly amount for children under 11 years old), for “£200” substitute “£375”,
 - (c) in subsection (2)(b) (weekly amount for older children), for “£250” substitute “£450”, and
 - (d) omit subsection (3) (which confers a power to amend those amounts).
- (4) After section 828 insert—

“828A Indexation of the fixed amount and the amount per adult and child

- (1) This section provides for increases in the amounts specified in—
 - (a) section 808(2) (the fixed amount), and
 - (b) section 811(1A) and (2)(a) and (b) (the amount per adult or child),if the consumer prices index for the September before the start of a tax year is higher than it was for the previous September.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 28. (See end of Document for details)

- (2) The amount specified in section 808(2) for the tax year is found as follows—
- Step 1:* multiply the amount for the previous tax year by the same percentage as the percentage increase in the consumer prices index.
- Step 2:* if the result of Step 1 is a multiple of £10, it is the increase for the tax year.
- If the result of Step 1 is not a multiple of £10, round it up to the nearest amount which is a multiple of £10 and that amount is the increase for the tax year.
- Step 3:* add the increase for the tax year to the amount for the previous tax year and the result is the amount for the tax year.
- (3) The amounts specified in section 811(1A) and (2)(a) and (b) for the tax year are found as follows—
- Step 1:* multiply the amount for the previous tax year by the same percentage as the percentage increase in the consumer prices index.
- Step 2:* if the result of Step 1 is a multiple of £5, it is the increase for the tax year.
- If the result of Step 1 is not a multiple of £5, round it up to the nearest amount which is a multiple of £5 and that amount is the increase for the tax year.
- Step 3:* add the increase for the tax year to the amount for the previous tax year and the result is the amount for the tax year.
- (4) Before the start of the tax year the Treasury must make an order replacing the amounts specified in the provisions listed in subsection (1) with the amounts which, as a result of this section, are the amounts for the tax year.
- (5) In this section “consumer prices index” means the all items consumer prices index published by the Statistics Board.”
- (5) In section 873(3) (orders made by Treasury etc not subject to negative resolution procedure), after paragraph (c) (but before the “or” at the end) insert—
- “(ca) section 828A (qualifying care relief: indexation of amounts),”.
- (6) The amendments made by this section have effect for the tax year 2023-24 and subsequent tax years.

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 28.