



## The increase in the personal allowance: regional statistics

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This note gives regional estimates of the numbers benefiting from the increase in the personal allowance announced for 2013/14.

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## 1 Introduction

The 2012 Budget announced that the income tax personal allowance for those aged under 65 would be £9,205 in 2013/14. This is an increase of £1,100 on its 2012/13 level. The Budget also announced a reduction in the basic rate limit (the range of income over which basic rate tax is paid) and that the Upper Earnings Limit for National Insurance would continue to be aligned with the higher rate threshold.<sup>1</sup>

The Treasury has published an analysis of the effects of these changes.<sup>2</sup> 840,000 people will be taken out of tax as a result of these measures (59% of whom are women). In total 23.6 million people will benefit (45% of whom are women). Most basic rate taxpayers will gain £170 in real terms and most higher rate taxpayers will gain by £42.50.

There are some losers from these policies. 1.8 million people will lose by an average of £185 a year. This includes some people whose income will be above £118,410 in 2013/14 and who will receive no personal allowance. There is another group whose income tax loss is not offset by the reduction in the Upper Earnings Limit. 300,000 people are brought into higher rate tax.

## 2 Beneficiaries by region

There are no figures on the number of people in each constituency benefiting from the increase in the personal allowance. The Treasury has, however, published figures on the number of people benefiting (and the number taken out of tax) in each region of the UK. These figures are in the table below.

### **Beneficiaries from increase in personal allowance to £9,205 in 2013/14**

	<b>Taken out of tax</b>	
	<b>thousands</b>	<b>Total no. benefitting</b>
North East	34	over 940,000
North West	95	over 2.5 million
Yorkshire and Humberside	74	over 1.8 million
East Midlands	66	over 1.7 million
West Midlands	74	over 1.9 million
East	75	around 2.2 million
London	97	over 3 million
South East	104	over 3.3 million
South West	73	over 2 million
Wales	42	1.1 million
Scotland	73	2.1 million
Northern Ireland	25	605,000

Source: HM Treasury Budget 2012 Regional press releases

Figures for the numbers benefiting in each region from the increases in the personal allowance coming into effect in 2011/12 and 2012/13 are in a [PQ answer](#).<sup>3</sup>

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<sup>1</sup> The higher rate threshold is the sum of the personal allowance and the basic rate limit.

<sup>2</sup> HMRC and HM Treasury, [Overview of Tax Legislation and Rates](#), 21 March 2012

<sup>3</sup> HC Deb 13 May 2011 cc1392-94