



# Finance Act 2020

## 2020 CHAPTER 14

### PART 1

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Employment income and social security income*

#### **7 Workers' services provided through intermediaries**

Schedule 1 makes provision about workers' services provided through intermediaries.

#### **8 Determining the appropriate percentage for a car: tax year 2020-21 onwards**

(1) Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars etc) is amended as follows.

(2) In section 136 (car with a CO<sub>2</sub> emissions figure: post-September 1999 registration)—

(a) in subsection (2A)—

(i) after “figure” insert “ in a case where the car is first registered before 6 April 2020 ”,

(ii) for “light-duty” substitute “ light ”, and

(iii) for “an EC certificate of conformity” substitute “ the EC certificate of conformity or UK approval certificate ”, and

(b) after subsection (2A) insert—

“(2B) For the purpose of determining the car's CO<sub>2</sub> emissions figure in a case where the car is first registered on or after 6 April 2020, ignore any values specified in the EC certificate of conformity or UK approval certificate that are not WLTP (worldwide harmonised light vehicle test procedures) values.”

(3) In section 137 (car with a CO<sub>2</sub> emissions figure: bi-fuel cars)—

(a) in subsection (2A)—

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020,  
 Cross Heading: Employment income and social security income. (See end of Document for details)*

---

- (i) after “figure” insert “ in a case where the car is first registered before 6 April 2020 ”,
  - (ii) for “light-duty” substitute “ light ”, and
  - (iii) for “an EC certificate of conformity” substitute “ the EC certificate of conformity or UK approval certificate ”, and
- (b) after subsection (2A) insert—
  - “(2B) For the purpose of determining the car's CO<sub>2</sub> emissions figure in a case where the car is first registered on or after 6 April 2020, ignore any values specified in the EC certificate of conformity or UK approval certificate that are not WLTP (worldwide harmonised light vehicle test procedures) values.”
- (4) In section 139 (car with a CO<sub>2</sub> emissions figure)—
  - (a) for subsection (2) substitute—
    - “(2) For the purposes of subsection (1) and the table—
      - (a) if a CO<sub>2</sub> emissions figure is not a whole number, round it down to the nearest whole number, and
      - (b) if an electric range figure is not a whole number, round it up to the nearest whole number.”, and
  - (b) after subsection (5) insert—
    - “(5A) For the purpose of determining the electric range figure for a car first registered before 6 April 2020, ignore any WLTP (worldwide harmonised light vehicle test procedures) values specified in an EC certificate of conformity, an EC type-approval certificate or a UK approval certificate.
    - (5B) For the purpose of determining the electric range figure for a car first registered on or after 6 April 2020, ignore any values specified in an EC certificate of conformity, an EC type-approval certificate or a UK approval certificate that are not WLTP (worldwide harmonised light vehicle test procedures) values.”
- (5) The amendments made by this section have effect for the tax year 2020-21 and subsequent tax years.

## 9 Determining the appropriate percentage for a car: tax year 2020-21 only

- (1) For the tax year 2020-21, Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars etc) has effect with the following modifications.
- (2) In section 139 (car with a CO<sub>2</sub> emissions figure: the appropriate percentage)—
  - (a) in the table in subsection (1), in the second column of the entry for a car with a CO<sub>2</sub> emissions figure of 0, for “2%” substitute “ 0% ”, and
  - (b) in subsection (7) before paragraph (a) insert—
    - “(za) section 139A (recently registered cars),”.
- (3) After section 139 insert—

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2020,  
Cross Heading: Employment income and social security income. (See end of Document for details)

### “139A Section 139: recently registered car with CO<sub>2</sub> emissions figure

In its application in relation to a car that is first registered on or after 6 April 2020, section 139 has effect as if—

(a) for the table in subsection (1) there were substituted—

| <i>“Car</i>  | <i>Appropriate percentage</i> |
|--|-------------------------------|
| Car with CO <sub>2</sub> emissions figure of 0       | 0%                            |
| Car with CO <sub>2</sub> emissions figure of 1 - 50  |                               |
| Car with electric range figure of 130 or more        | 0%                            |
| Car with electric range figure of 70 - 129           | 3%                            |
| Car with electric range figure of 40 - 69            | 6%                            |
| Car with electric range figure of 30 - 39            | 10%                           |
| Car with electric range figure of less than 30       | 12%                           |
| Car with CO <sub>2</sub> emissions figure of 51 - 54 | 13%                           |
| Car with CO <sub>2</sub> emissions figure of 55 - 59 | 14%                           |
| Car with CO <sub>2</sub> emissions figure of 60 - 64 | 15%                           |
| Car with CO <sub>2</sub> emissions figure of 65 - 69 | 16%                           |
| Car with CO <sub>2</sub> emissions figure of 70 - 74 | 17%”                          |

(b) in subsection (3)(a) for “20%” there were substituted “ 18% ”.”

(4) In section 140 (car without a CO<sub>2</sub> emissions figure: the appropriate percentage) in subsection (3)(a) for “2%” substitute “ 0% ”.

## 10 Determining the appropriate percentage for a car: tax year 2021-22 only

(1) For the tax year 2021-22, Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars etc) has effect with the following modifications.

(2) In section 139 (car with a CO<sub>2</sub> emissions figure: the appropriate percentage)—

(a) in the table in subsection (1), in the second column of the entry for a car with a CO<sub>2</sub> emissions figure of 0, for “2%” substitute “ 1% ”, and

(b) in subsection (7) before paragraph (a) insert—

“(za) section 139A (recently registered cars),”.

(3) After section 139 insert—

### “139A Section 139: recently registered car with CO<sub>2</sub> emissions figure

In its application in relation to a car that is first registered on or after 6 April 2020, section 139 has effect as if—

(a) for the table in subsection (1) there were substituted—

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2020,  
 Cross Heading: Employment income and social security income. (See end of Document for details)

| <b><i>“Car</i></b>                                   | <b><i>Appropriate percentage</i></b> |
|--|--------------------------------------|
| Car with CO <sub>2</sub> emissions figure of 0       | 1%                                   |
| Car with CO <sub>2</sub> emissions figure of 1 - 50  |                                      |
| Car with electric range figure of 130 or more        | 1%                                   |
| Car with electric range figure of 70 - 129           | 4%                                   |
| Car with electric range figure of 40 - 69            | 7%                                   |
| Car with electric range figure of 30 - 39            | 11%                                  |
| Car with electric range figure of less than 30       | 13%                                  |
| Car with CO <sub>2</sub> emissions figure of 51 - 54 | 14%                                  |
| Car with CO <sub>2</sub> emissions figure of 55 - 59 | 15%                                  |
| Car with CO <sub>2</sub> emissions figure of 60 - 64 | 16%                                  |
| Car with CO <sub>2</sub> emissions figure of 65 - 69 | 17%                                  |
| Car with CO <sub>2</sub> emissions figure of 70 - 74 | 18%”                                 |

(b) in subsection (3)(a) for “20%” there were substituted “ 19% ”.”

- (4) In section 140 (car without a CO<sub>2</sub> emissions figure: the appropriate percentage) in subsection (3)(a) for “2%” substitute “ 1% ”.

## 11 Apprenticeship bursaries paid to persons leaving local authority care

- (1) In Part 4 of ITEPA 2003 (employment income: exceptions), in Chapter 4 (exemptions: education and training), after section 254 insert—

*“Persons leaving local authority care*

### **254A Apprenticeship bursaries paid to persons leaving local authority care**

- (1) No liability to income tax arises in respect of a care leaver's apprenticeship bursary payment.
- (2) A care leaver's apprenticeship bursary payment is a payment—
  - (a) payable out of the public revenue,
  - (b) to a care leaver (see subsection (3)),
  - (c) made in connection with the person's employment as an apprentice (see subsection (4)), and
  - (d) in respect of which any conditions specified in regulations made by the Treasury are met.
- (3) A person is a care leaver if they are a person—
  - (a) who is, or was, a child looked after—

---

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2020,

Cross Heading: Employment income and social security income. (See end of Document for details)

---

- (i) by a local authority in England within the meaning of section 22 of the Children Act 1989 (general duty of local authority in relation to children looked after by them);
- (ii) by a local authority in Wales within the meaning of the Social Services and Well-being (Wales) Act 2014 (anaw 4) (see section 74 of that Act (child or young person looked after by a local authority));
- (iii) by a local authority in Scotland within the meaning of Chapter 1 of Part 2 of the Children (Scotland) Act 1995 (see section 17(6) of that Act (duty of local authority to child looked after by them));
- (iv) by an authority in Northern Ireland within the meaning of the Children (Northern Ireland) Order 1995 (S.I. 1995/755 (N.I. 2)) (see Article 25 of that Order (children looked after by an authority: interpretation)), and
- (b) in respect of whom any other conditions specified in regulations made by the Treasury are met.

(4) “Apprentice” has the meaning specified in regulations made by the Treasury.

(5) Regulations under this section—

- (a) may make provision framed by reference to a scheme (however described or named), or document, as it has effect from time to time,
- (b) may make different provision for different purposes,
- (c) may make different provision for different areas, and
- (d) may make retrospective provision.”

(2) The amendment made by this section has effect in relation to the tax year 2020-21 and subsequent tax years.

## 12 Tax treatment of certain Scottish social security benefits

(1) Table B in section 677(1) of ITEPA 2003 (UK social security benefits wholly exempt from income tax) is amended as follows.

(2) In Part 1 (benefits payable under primary legislation etc), insert each of the following at the appropriate place—

|   |                     |
|---|---------------------|
| “Disability assistance for children and SS(S)A 2018<br>young people | Sections 24 and 31” |
|---|---------------------|

|            |          |             |
|------------|----------|-------------|
| “Job start | ETA 1973 | Section 2”. |
|------------|----------|-------------|

(3) In Part 2 (benefits payable under regulations), insert the following at the appropriate place—

|                         |             |              |
|-------------------------|-------------|--------------|
| “Scottish child payment | SS(S)A 2018 | Section 79”. |
|-------------------------|-------------|--------------|

(4) The amendments made by this section have effect for the tax year 2020-21 and subsequent tax years.

---

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2020,  
 Cross Heading: Employment income and social security income. (See end of Document for details)

---

### 13 Power to exempt social security benefits from income tax

- (1) The Treasury may by regulations amend Chapter 4 or 5 of Part 10 of ITEPA 2003 (social security benefits: exemptions) so as to provide that no liability to income tax arises on social security benefits of a description specified in the regulations.
- (2) Regulations under this section may make—
  - (a) different provision for different cases;
  - (b) retrospective provision;
  - (c) incidental or supplementary provision;
  - (d) consequential provision (which may include provision amending any provision made by or under the Income Tax Acts).
- (3) In section 655 of ITEPA 2003 (structure of Part 10), in subsection (2), at the end insert “  
 ,  
 section 13 of FA 2020 (power to exempt social security benefits from income tax).”

### 14 Voluntary office-holders: payments in respect of expenses

- (1) After section 299A of ITEPA 2003 insert—
 

**“299B Voluntary office-holders: payments in respect of expenses**

  - (1) No liability to income tax arises in respect of a payment to a person who holds a voluntary office if the payment is in respect of reasonable expenses incurred in carrying out the duties of that office.
  - (2) It does not matter whether—
    - (a) the payment is an advance payment or a reimbursement;
    - (b) the person who makes the payment is the person with whom the office is held.
  - (3) Subsections (2) and (3) of section 299A apply for the purposes of subsection (1) of this section as they apply for the purposes of subsection (1) of that section.”
- (2) In section 299A(3)(a) of ITEPA 2003 (voluntary office-holders: compensation for lost employment income) after “payment” insert “ (whether an advance payment or a reimbursement) ”.
- (3) The amendments made by this section have effect for the tax year 2020-21 and subsequent tax years.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2020, Cross Heading:  
Employment income and social security income.