
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross
Heading: Calculation of tax liability: companies chargeable to corporation tax. (See end of Document for details)

SCHEDULES

SCHEDULE 16

TAXATION OF CORONAVIRUS SUPPORT PAYMENTS

Calculation of tax liability: companies chargeable to corporation tax

- 11 (1) This paragraph applies where a person liable to income tax charged under paragraph 8 is a company that is chargeable to corporation tax, or to any amount chargeable as if it was corporation tax, in relation to a period within which the income tax became chargeable.
- (2) Part 5A of TMA 1970 (payment of tax) applies in relation to that company as if—
- (a) the reference to “corporation tax” in subsection (1) of section 59D (general rule as to when corporation tax is due and payable) included income tax charged under paragraph 8 of this Schedule;
 - (b) an amount of income tax charged under paragraph 8 of this Schedule were an amount within subsection (6) of section 59F (arrangements for paying tax on behalf of group members);
 - (c) any reference in section 59G (managed payment plans) to “corporation tax” included income tax charged under paragraph 8 of this Schedule.
- (3) Part 9 of that Act (interest on overdue tax) applies in relation to that company as if—
- (a) the references in section 86 (interest on overdue income tax and capital gains tax) to “income tax” did not include income tax charged under paragraph 8 of this Schedule;
 - (b) in subsection (1) of section 87A (interest on overdue corporation tax) the reference to “corporation tax” included income tax charged under paragraph 8 of this Schedule.
- (4) Schedule 18 to FA 1998 (company tax returns etc.) applies in relation to that company as if—
- (a) any reference in that Schedule to “tax”, other than the references in paragraph 2 of that Schedule (duty to give notice of chargeability), included income tax charged under paragraph 8 of this Schedule, and
 - (b) in paragraph 8(1) of that Schedule (calculation of tax payable), at the end there were inserted— “*Sixth step* Add any amount of income tax chargeable under paragraph 8 of Schedule 16 to the Finance Act 2020.”
- (5) But the modifications of that Schedule are to be ignored for the purposes of the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175).
- (6) Schedule 41 to FA 2008 applies in relation to that company as if —
- (a) the references to “income tax” in paragraph 7(2) did not include income tax charged under paragraph 8 of this Schedule;
 - (b) the reference to “corporation tax” in paragraph 7(3) included income tax charged under paragraph 8 of this Schedule;

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(but see paragraph 13(5) of this Schedule which has the effect that paragraph 7 of that Schedule does not apply in certain circumstances).

- (7) For the purposes of paragraph 7(3) of Schedule 41 to FA 2008 (as modified by subparagraph (6)), a relevant obligation relating to income tax charged under paragraph 8 of this Schedule relates to an accounting period if the income tax became chargeable in that period.

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