
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Paragraph 5. (See end of Document for details)

SCHEDULES

SCHEDULE 16

TAXATION OF CORONAVIRUS SUPPORT PAYMENTS

Charge where employment costs deductible by another

- 5 (1) Income tax is charged on an amount of a coronavirus support payment made under an employment-related scheme if conditions A and B are met.
- (2) Condition A is that the amount is neither brought into account under paragraph 1(2) in calculating the profits of a business carried on by the person entitled to the payment as an employer nor treated, by virtue of paragraph 2(3) or (4), as a post-cessation receipt arising from the carrying on of such a business.
- (3) Condition B is that expenses incurred by another person in respect of the same employment costs which are the subject of the coronavirus support payment and to which the amount relates are deductible—
- (a) in calculating the profits of a business carried on by that other person (for income or corporation tax purposes), or
 - (b) in calculating the liability of that other person to tax charged under section 242 or 349 of ITTOIA 2005 or section 188 or 280 of CTA 2009 (post-cessation receipts).
- (4) Tax is charged under sub-paragraph (1) on the whole of the amount to which that sub-paragraph applies.
- (5) The person liable for tax charged under sub-paragraph (1) is the person entitled to the coronavirus support payment as an employer.
- (6) Section 3(1) of CTA 2009 (exclusion of charge to income tax) does not apply to an amount of a coronavirus support payment that is charged under this paragraph.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2020, Paragraph 5.