
STATUTORY INSTRUMENTS

2020 No. 534

The Tax Credits (Coronavirus, Miscellaneous Amendments) Regulations 2020

Amendment of the Tax Credits (Definition and Calculation of Income) Regulations 2002

3.—(1) The Tax Credits (Definition and Calculation of Income) Regulations 2002⁽¹⁾ are amended as follows.

(2) In regulation 2 (interpretation) in paragraph (2) at the appropriate place insert—

““coronavirus” means severe acute respiratory syndrome coronavirus 2;”;

““coronavirus support scheme” means—

- (a) any scheme in relation to which HMRC have functions by virtue of a direction made under section 76 of the Coronavirus Act 2020 (HMRC functions)⁽²⁾;
- (b) the scheme known as the Small Business Grant Fund established in response to coronavirus;
- (c) any scheme established in the tax year 2020-2021 in response to coronavirus to support the fishing industry;
- (d) the scheme known as the Retail, Hospitality and Leisure Grant Fund established in response to coronavirus;
- (e) the scheme known as the Newly Self-Employed Hardship Fund established by the Scottish Ministers in the tax year 2020-2021 in response to coronavirus;” and
- (f) any other support scheme established in the tax year 2020-2021 in response to coronavirus;” and

““Scottish Ministers” has the meaning given by section 44(2) of the Scotland Act 1998⁽³⁾.”.

(3) For regulation 6 (trading income) substitute—

“Trading Income

6.—(1) The claimant’s trading income is—

- (a) the amount of the claimant’s taxable profits for the tax year from—
 - (i) any trade carried on in the United Kingdom or elsewhere; and
 - (ii) any profession or vocation the income from which does not fall under any other provisions of these Regulations; and
- (b) any grant or any sum paid to the claimant under a coronavirus support scheme, except any payment made under the Coronavirus Job Retention Scheme in respect of an employee,

(1) [S.I. 2002/2006](#), relevant amending instruments are [S.I. 2006/766](#) and [2020/297](#).

(2) The term “HMRC” is defined in section 4 of the Commissioners for Revenue and Customs Act 2005 as “the Commissioners and the officers of Revenue and Customs”.

(3) [1998 c. 46](#). Section 44 has been amended by section 12 of the Scotland Act [2012 \(c. 11\)](#).

except where the claimant is a partner in the trade, profession or vocation in which case paragraph (2) applies.

(2) Where the claimant is a partner in a trade, profession or vocation, the claimant's trading income is—

- (a) the taxable profits for the tax year arising from the claimant's share of the partnership's trading or professional income; and
- (b) any grant or any sum paid to the claimant under a coronavirus support scheme, except any payment made under the Coronavirus Job Retention Scheme in respect of an employee.

(3) In this regulation—

- (a) "taxable profits" has the same meaning as it has in Part 2 of ITTOIA but disregarding the relevant benefit amount in section 23E (tax treatment of relevant benefits)⁽⁴⁾ and Chapter 16 of that Part (averaging profits of farmers and creative artists); and
- (b) "Coronavirus Job Retention Scheme" means the scheme of that name established under the direction given by the Chancellor of the Exchequer under section 76 of the Coronavirus Act 2020 on 15th April 2020 (as that Scheme has effect from time to time)."

(4) For regulation 18 (miscellaneous income) substitute—

"Miscellaneous Income

18. In these Regulations "miscellaneous income" means income which does not fall within any other provision of these Regulations, and which is either—

- (a) subject to income tax under Part 5 of ITTOIA; or
- (b) a payment under, or in connection with, a coronavirus support scheme."

(5) In regulation 19 (general disregards in the calculation of income)⁽⁵⁾—

- (a) in paragraph (2) omit the definition of "Scottish Ministers"; and
- (b) in Table 6 (sums disregarded in the calculation of income) after entry 33 insert—

34. A payment, whether in cash or by way of a voucher, in lieu of free school meals.

35. A payment in connection with emergency volunteering leave under Schedule 7 to the Coronavirus Act 2020.

36. A payment made under the scheme known as the NHS and Social Care Coronavirus Life Assurance Scheme 2020."

(4) Regulation 2 of the Tax Credits (Definition and Calculation of Income) Regulations 2002 defines "ITTOIA" as the Income Tax (Trading and Other Income) Act 2005 (c. 5). This definition was inserted by regulation 7 of S. I. 2006/766. Section 23E was inserted by section 35(2) of the Finance (No. 2) Act 2017 (c. 32).

(5) Regulation 19 was amended by regulation 3 of S.I. 2020/297 which inserted the definition of "Scottish Ministers" into paragraph (2) and entries 25 to 33 into Table 6.