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STATUTORY INSTRUMENTS

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**2020 No. 941**

**The Tax Credits (Coronavirus, Miscellaneous Amendments) (No. 2) Regulations 2020**

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

2.—(1) The Tax Credits (Definition and Calculation of Income) Regulations 2002<sup>(1)</sup> are amended as follows.

(2) For regulation 6 (trading income)<sup>(2)</sup> substitute—

**“Trading income**

6. The claimant’s (“C”) trading income is—

(a) the amount of C’s taxable profits for the tax year arising from—

(i) any trade carried on in the United Kingdom or elsewhere;

(ii) any profession or vocation the income from which does not fall under any other provision of these Regulations; or

(b) the amount of C’s taxable profits for the year arising from C’s share of the partnership trading or professional income where C is a partner in a trade, profession or vocation.

In this regulation “taxable profits” has the same meaning as it has in Part 2 of ITTOIA<sup>(3)</sup>, but disregarding the relevant benefit amount in section 23E (tax treatment of relevant benefits) and Chapter 16 of that Part (averaging profits of farmers and creative artists).”

(3) In regulation 19 (general disregards in the calculation of income)<sup>(4)</sup> in Table 6 (sums disregarded in the calculation of income)—

(a) omit entry 36; and

(b) after entry 35 insert—

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“37. Any payment made under the scheme known as the NHS Test and Trace Self-Isolation Payment Scheme established on 1st September 2020 in respect of England or under any similar scheme established in respect of Wales, Scotland or Northern Ireland.”

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(1) [S.I. 2002/2006](#), relevant amending instruments are [S.I. 2006/766](#) and [2020/534](#).

(2) Regulation 6 was substituted by regulation 3(3) of [S.I. 2020/534](#).

(3) Regulation 2 of the Tax Credits (Definition and Calculation of Income) Regulations 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).

(4) Entry 36 in Table 6 in regulation 19 was inserted by regulation 3(5) of [S.I. 2020/534](#).