

Status: Point in time view as at 22/07/2020.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Paragraph 2. (See end of Document for details)

SCHEDULES

SCHEDULE 16

TAXATION OF CORONAVIRUS SUPPORT PAYMENTS

Amounts not referable to activities of a business which is being carried on

- 2 (1) This paragraph applies if a person who carried on a business (whether alone or in partnership) receives a coronavirus support payment that—
- (a) is referable to the business, and
 - (b) is not wholly referable to activities of the business undertaken while the business was being carried on by the recipient of the payment.
- (2) So much of the coronavirus support payment as is referable to the business but which is not referable to activities of the business undertaken while the business was being carried on by the recipient of the payment is to be treated as follows.
- (3) An amount referable to a trade, profession or vocation is to be treated as a post-cessation receipt for the purposes of Chapter 18 of Part 2 of ITTOIA 2005 or Chapter 15 of Part 3 of CTA 2009 (trading income: post-cessation receipts), and—
- (a) in the application of Chapter 18 of Part 2 of ITTOIA 2005 to that amount, section 243 (extent of charge to tax) is omitted, and
 - (b) in the application of Chapter 15 of Part 3 of CTA 2009 to that amount, section 189 (extent of charge to tax) is omitted.
- (4) An amount referable to a UK property business or an overseas property business is to be treated (in either case) as a post-cessation receipt from a UK property business for the purposes of Chapter 10 of Part 3 of ITTOIA 2005 or Chapter 9 of Part 4 of CTA 2009 (property income: post-cessation receipts), and—
- (a) in the application of Chapter 10 of Part 3 of ITTOIA 2005 to that amount, section 350 (extent of charge to tax) is omitted, and
 - (b) in the application of Chapter 9 of Part 4 of CTA 2009 to that amount, section 281 (extent of charge to tax) is omitted.
- (5) In any other case, for the purposes of paragraph 1(3)—
- (a) the recipient of the amount is to be treated as if carrying on the business to which the amount is referable at the time of the receipt of the amount, and
 - (b) the amount is to be treated as if it were referable to activities undertaken by the business at that time.
- (6) Where the recipient of the amount has incurred expenses that—
- (a) are referable to the amount, and
 - (b) would be deductible in calculating the profits of the business if it were being carried on at the time of receipt of the amount,
- the amount brought into account under paragraph 1(2) by virtue of sub-paragraph (5) is to be reduced by the amount of those expenses.

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- (7) But sub-paragraph (6) does not apply to expenses of a person that arise directly or indirectly from the person ceasing to carry on business.

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