

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Paragraph 3. (See end of Document for details)

SCHEDULES

SCHEDULE 16

TAXATION OF CORONAVIRUS SUPPORT PAYMENTS

Amounts referable to businesses in certain cases

- 3 (1) An amount of a coronavirus support payment made under an employment-related scheme—
- (a) is referable to the business of the person entitled to the payment as an employer (even if the person is not for other purposes the employer of the employees to whom the payment relates), and
 - (b) is not referable to any other business (and no deduction for any expenses in respect of the same employment costs which are the subject of the payment is allowed in calculating the profits of any other business or in calculating the liability of any other person to tax charged under section 242 or 349 of ITTOIA 2005 or section 188 or 280 of CTA 2009 (post-cessation receipts)).
- (2) A coronavirus support payment made under the self-employment income support scheme is referable to the business of the individual to whom the payment relates.
- (3) Where an amount of a coronavirus support payment made under the self-employment income support scheme is brought into account under paragraph 1(2), the whole of the amount is to be treated as a receipt of a revenue nature of the tax year [^{F1}in which the payment was received] (irrespective of its treatment for accounting purposes).
- (4) But sub-paragraph (3) does not apply to an amount of a coronavirus support payment made under the self-employment income support scheme in respect of a partner of a firm where the amount is distributed amongst the partners (rather than being retained by the partner).
- (5) An amount of a coronavirus support payment made under the self-employment income support scheme in respect of a partner of a firm that is retained by the partner (rather than being distributed amongst the partners) is not to be treated as a receipt of the firm.
- (6) Accordingly—
- (a) the receipt is not to be included in the calculation of the firm's profits for the purposes of determining the share of profits or losses for each partner of the firm (see sections 849 to 850E of ITTOIA 2005 and sections 1259 to 1265 of CTA 2009), and
 - (b) the receipt is then to be added to the partner's share.

Textual Amendments

- F1** Words in [Sch. 16 para. 3\(3\)](#) substituted (with effect in accordance with s. 32(4) of the amending Act) by [Finance Act 2021 \(c. 26\), s. 32\(2\)](#)

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for the Finance Act 2020, Paragraph 3. (See end of Document for details)*

Modifications etc. (not altering text)

- C1** [Sch. 16 para. 3](#) applied (with modifications) (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Taxation of Coronavirus Support Payments Regulations 2021 \(S.I. 2021/92\)](#), regs. 1(1), **3(1)**

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