

---

STATUTORY INSTRUMENTS

---

**2021 No. 92**

**CORPORATION TAX  
INCOME TAX**

**The Taxation of Coronavirus  
Support Payments Regulations 2021**

*Made* - - - - 28th January 2021  
*Laid before the House of  
Commons* - - - - 1st February 2021  
*Coming into force* - - 22nd February 2021

The Treasury, in exercise of the powers conferred by section 106(2)(f), (3) and (4) of the Finance Act 2020<sup>(1)</sup>, makes the following Regulations:

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Taxation of Coronavirus Support Payments Regulations 2021 and come into force on 22nd February 2021.

(2) These Regulations have effect in relation to coronavirus support payments made before and after the making of these Regulations.

**Specified schemes**

2. The following schemes are specified under section 106 of the Finance Act 2020—
- (a) the Test and Trace Support Payment Scheme<sup>(2)</sup> in England,
  - (b) the Self-Isolation Support Grant<sup>(3)</sup> in Scotland, and

---

(1) 2020 c. 14.

(2) The Test and Trace Support Payment Scheme was piloted for Blackburn with Darwen, Pendle and Oldham from 1 September 2020 (as announced by Health Secretary on 27 August 2020, this announcement can be found at <https://www.gov.uk/government/news/new-payment-for-people-self-isolating-in-highest-risk-areas>) and extended to the whole of England from 28 September 2020, announced by the Prime Minister's office on 20 September 2020 (guidance for the scheme can be found at <https://www.gov.uk/test-and-trace-support-payment>, a hard copy is available for inspection free of charge at the offices of HMRC at 100 Parliament Street, London, SW1A 2BQ).

(3) The Self-Isolation Support Grant was announced by Social Security Secretary on 30 September 2020 (guidance for the scheme can be found at <https://www.mygov.scot/scottish-welfare-fund/self-isolation-support-grants/>, a hard copy is available for inspection free of charge at the offices of HMRC at 100 Parliament Street, London, SW1A 2BQ).

- (c) the Self-Isolation Support Scheme<sup>(4)</sup> in Wales.

### **Application of Schedule 16 to the Finance Act 2020**

3.—(1) Paragraph 3 of Schedule 16 to the Finance Act 2020 applies to a coronavirus business support grant scheme and a scheme specified under regulation 2 as if—

- (a) in sub-paragraph (2), after “scheme” there were inserted “, a coronavirus business support grant scheme or a scheme specified under section 106(2)(f) by the Taxation of Coronavirus Support Payments Regulations 2021”,
- (b) in sub-paragraph (5), after “scheme” there were inserted “, a coronavirus business support grant or a scheme specified under section 106(2)(f) by the Taxation of Coronavirus Support Payments Regulations 2021”.

(2) Paragraph 8(2) of Schedule 16 to the Finance Act 2020 applies to a scheme specified under regulation 2 as if—

- (a) for “or the”, there were substituted “, the”, and
- (b) at the end, there were inserted “or a scheme specified under section 106(2)(f) by the Taxation of Coronavirus Support Payments Regulations 2021”.

28th January 2021

*Rebecca Harris*  
*Maggie Throup*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

---

(4) The Self-Isolation Support Scheme was announced by the First Minister of Wales on 22 September 2020 (guidance for the scheme can be found at <https://gov.wales/self-isolation-support-scheme>, a hard copy is available for inspection free of charge at the offices of HMRC at 100 Parliament Street, London, SW1A 2BQ).

---

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision in relation to the taxation of coronavirus support payments.

Authority for the retrospective effect is provided by section 106(4) of the Finance Act 2020.

Regulation 2 specifies three schemes (under which a public authority makes a payment to a person who has been required to self-isolate due to coronavirus) so that payments made under such a scheme will be coronavirus support payments; Schedule 16 to the Finance Act 2020 makes provision about the taxation of coronavirus support payments.

Regulation 3 makes provision about the application of Schedule 16.

A modification is made to paragraph 3 to Schedule 16 to ensure that payments under schemes specified by these Regulations or a coronavirus business support grant scheme are referable to the business of the recipient of the payment and are taxed appropriately where the recipient is a partner in a partnership.

A modification is made to paragraph 8 of Schedule 16 to exclude the application of that provision in relation to a payment under schemes specified by these Regulations, paragraph 8 would otherwise impose a tax charge if the recipient was not entitled to the payment.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.