
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>.