

Extracts from Finance Act 2020 Schedule 16 – Taxation of Coronavirus Support Payments

Relevant extracts

Exemptions, reliefs and deductions

4(1)An amount of a coronavirus support payment that relates only to mutual activities of a business that carries on a mutual trade is to be treated as if it were income arising from those activities (and accordingly the amount is not taxable).

(2)A coronavirus support payment is to be ignored when carrying out the calculation—

(a)in section 528(1) of ITA 2007 (incoming resources limit for charitable exemptions);

(b)in section 482(1) of CTA 2010 (incoming resources limit for charitable companies);

(c)in section 661CA(1) of CTA 2010 (income condition for community amateur sports clubs).

(3)A coronavirus support payment made under an employment-related scheme is to be ignored when carrying out the calculation—

(a)in section 662(2) of CTA 2010 (exemption from corporation tax for UK trading income of community amateur sports clubs);

(b)in section 663(2) of that Act (exemption from corporation tax for UK property income of community amateur sports clubs).

Charge where no business carried on

6

(5)Where income tax is charged under sub-paragraph (1), sections 527 and 528 of ITA 2007 (exemption and income condition for charitable trusts) have effect as if sub-paragraph (1) were a provision to which section 1016 of that Act applies.

(6)Where corporation tax is charged under sub-paragraph (1), sections 481 and 482 of CTA 2010 (exemption and income condition for charitable companies) have effect as if sub-paragraph (1) were a provision to which section 1173 of that Act applies.