

## Warning to companies to report grants

HMRC has published important guidelines to companies about taxation and reporting of coronavirus support payments. What special steps should you take to ensure that your company's return is correct?

### Lack of information

Over the last year or so unincorporated businesses have been bombarded with guidance from HMRC about declaring **coronavirus support payments**. By comparison, guidance for companies has been sparse but HMRC has now updated its guidance.

### Corporation tax return

If you're completing your company's self-assessment tax return or checking one prepared by your accountant, HMRC says that special care is needed regarding Coronavirus Job Retention Scheme (CJRS) grants and Eat Out to Help Out payments. Whilst most companies will have reported the latter grant income already, they should make sure they have done so in line with HMRC's guidance and, if necessary, correct their returns within the amendment window. If your company received either or both types of payment in the corporation tax (CT) period covered by the return, it must both:

- *Include it as income when calculating your taxable profits in line with relevant accounting standards; and*
- *Report it separately on the company tax return using the special CJRS and Eat Out to Help Out boxes*

### How much to declare

When calculating the amount of CJRS payments to declare in Box 471 on your company's CT return you must not deduct any amounts:

- *which you have voluntarily disclosed to HMRC as CJRS overpayments, even if you have repaid them*
- *that have already been assessed by HMRC, even where you accepted and paid the assessment*
- *you received that you were entitled to but repaid voluntarily*

Conversely, you must add any overpayments of amounts received in an earlier CT period that have been set off against CJRS payments received in the account period for which you are now completing a tax return.

**Should you have any queries, please do not hesitate to contact us**

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