



# Research & Development Tax Relief

Research & Development tax relief applies to qualifying expenditure incurred by companies.

## What is Research & Development?

Are you trying to do something that involves you having to develop scientific or technological knowledge that isn't commonly available?

What are the scientific or technological challenges you've had to overcome as part of this work?

## The Criteria

Revenue expenditure in relation to the company's trade

Capital expenditure may qualify for 100% first year allowances

Definition of a qualifying Small or Medium sized enterprise (SME):

- The company must have fewer than 500 employees and;
- Annual turnover must not exceed 100 million Euros or;
- Balance sheet total must not exceed 86 million Euros

## Qualifying Expenditure

Staff costs (apportioned for R&D activities only), includes agency workers

Consumable items

Subcontracted work (restricted under large scheme)

Software used in R&D

Apportionment of heat, light and water

Payment to clinical trial volunteers

	SME	Large
Enhanced rate	125%	30%
Tax credits	✓	✓
Claims for costs subcontracted out to another company	✓	x
Subsidies reduce relief	✓	x



## The Mechanics

Claim made in company's tax computations and return

Full disclosure of costs/work undertaken to HM Revenue & Customs in order to minimise risk of enquiry

We can assist in the R&D report using our expertise in this area

If an SME has received state aid grants for R&D a claim cannot be made under the SME scheme, but may be made under the large scheme

Surrender relief for cash payment if tax losses.

## Expertise & Testimonials

We have submitted many claims since the schemes were introduced in various sectors including engineering, IT, nuclear, manufacturing and pharmaceuticals.

Our experts have had articles published in the national tax and scientific press and have contributed to national policy. Testimonials are available upon request.

## Summary

This is only a basic overview of the relief and full advice should be taken before making a claim.

## Contact

For more information call freephone 0808 144 5575

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