

## R&D tax credits

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### Benefit

- 25% tax credit on qualifying expenditure
- Used against CT, any excess credits are cash refundable
- 12 months to claim from end of accounting period

### Science Test

- Claimable activities are those which resolve scientific or technological uncertainty and seek a scientific advance i.e. requiring a solution/knowledge for which existing principles, methods, knowledge in the public domain isn't enough
- Success is not a requirement
- Can claim new product development and appreciable improvements on existing products as long as scientific/technological uncertainty exists

### Common qualifying activities

For example

- Complex algorithm development
- Large scale performance improvements
- Design of new and novel architectures
- New/improved security systems

The activities would include routine activities necessary to solve the uncertainty e.g. testing, creating reference data sets and sand box environments

### Costs Allowed

- Fully loaded salary costs (proportional to % of R&D performed)
- Equipment (including if plant and machinery)
- Materials
- Some overheads (rent, rates, electricity)
- Sub-contracted R&D (certain restrictions apply)
- R&D buildings cost (construction and refurbishment of)
- Net off any grant funding