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The R&D Tax Incentive

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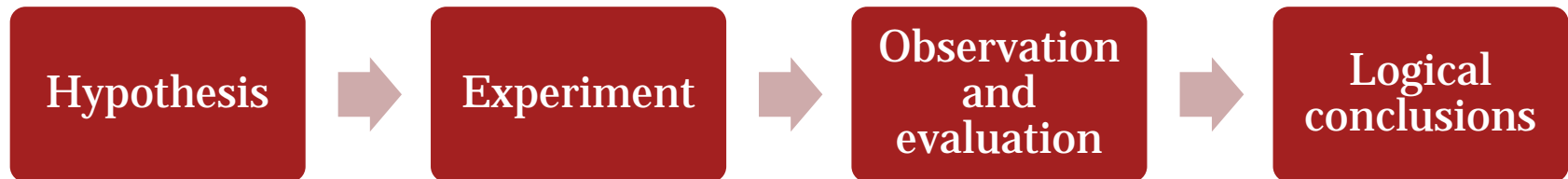
- Broad based incentive which is accessed by approximately 16,000 Australian companies
- Supports the development of new or improved products or processes
- For every **1 dollar** of R&D expenditure identified, large businesses can save **8.5 cents** in tax payable
- Emerging companies (<\$20M turnover) can save **13.5 cents**, as well as cashing out tax losses at **43.5 cents**
- Applies to all industries
- Self-assessment program

Get your project the credit it deserves!

What is an eligible R&D activity?

An eligible R&D project must contain at least one activity which is:

- **experimental** (may be satisfied by testing or trialling);
- the **outcome cannot be known or determined in advance** (can be confident of the outcome so long as there is uncertainty about how to achieve it);
- are conducted **for the purpose of generating new knowledge** (this includes creation of new or improved materials, products, processes, etc.); and
- can only be determined by a systematic progression of work that is **based on principles of established science** and proceeds from:



Once a “Core” R&D activity is identified, **all directly related activities** are included in the claim as “Supporting” R&D activities.

Or, in other words...

An eligible R&D project must contain at least one activity which is:



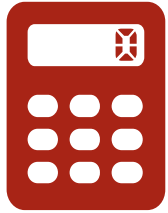
***Developing something
new or improved***



***Technically uncertain
or challenging***



***The uncertainty can only
be removed with a test
or trial***



What costs are eligible under the R&D Tax Incentive program?

The types of costs spent on undertaking R&D may include, but are not limited to:

- staff salaries & on-costs
- consultants or contractors
- depreciation on assets
- raw materials and consumables, and
- operational costs and company overheads
- up to 50% of a project may be carried out overseas, if necessary

FAQs

- How much cash will I get back?
- Are white lab coats mandatory?
- What corporate structure do I need to make a claim?
- Are outsourced services eligible?
- Can I claim R&D conducted overseas?
- Do government grants affect the R&D tax incentive?
- What documents do I need to support my claim?

R&D claim process

How is a claim for the *R&D Tax Incentive* made?

- 1. Register:** annual registration of activities with AusIndustry within 10 months of year end
- 2. Claim:** Lodge claim for R&D tax incentives to the ATO in company's income tax return

Tips:

Deadline for registration is non-negotiable.

Access financing for R&D refunds