

Research & Development Tax Concession

The R&D Tax Concession is a Commonwealth Government scheme to increase the amount of research and development (R&D) undertaken in Australia. It aims to encourage competitive, innovative and export-oriented Australian industries. The concession is available to all Australian companies and offers the following:

- A tax deduction of up to 125% of expenditure incurred on R&D activities
- An R&D Incremental (Premium) Tax Concession for those companies increasing their R&D expenditure and who have a three year history of registering and claiming the Tax Concession
- An R&D Offset for companies with grouped R&D expenditure of less than \$1M for the year and group turnover of less than \$5M.

Are You Eligible?

You are eligible for the R&D Tax Concession if you can answer yes to the following questions:

- Are you a company incorporated in Australia and not acting as trustee for a trust (other than a public trading trust)?
- Do the R&D activities that the business undertakes involve the following:
 - A technical problem that can't be resolved on the basis of publicly available information?
 - An original idea to solve the technical problem?
 - Systematic experimentation in the form of testing or trials to resolve the technical uncertainty?
- Does your company have control over its R&D project and effectively own the R&D results?
- Will the company bear the financial and technical risk associated with the projects?
- Has the company incurred annual eligible expenditure on R&D activities of \$20,000 or more?
- Will the results of the R&D be exploited on normal commercial terms and to the benefit of the Australian economy?
- Have you prepared and maintained an R&D Plan in accordance with the AusIndustry guidelines?
- Have you maintained contemporaneous records that substantiate the carrying on of R&D activities?

Administration

R&D activities need to be registered with The Industry Research and Development (IR&D) Board, which is administered by AusIndustry. Registration should occur within 10 months of the company's year-end – typically 30 April.

The R&D Tax Concession is then claimed on the company's tax return through completion of the R&D Tax Concession Schedule.

If you have any questions, or would like further information please contact Robyn Tyler at SRJ on (07) 3490 9988.