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APRIL 2019

R&D Tax Deadline

The R&D Tax Incentive is the federal government's primary assistance programme for encouraging business R&D and approximately 14,000 Australian companies register annually.

Registrations for R&D activity conducted during the YE 30 June 2018 must be lodged by 30 April 2019. To be eligible for R&D Tax Incentives you must be:

- Incurring eligible R&D Expenditure through a company structure;
- Conducting an experimental activity where the outcome cannot be determined in advance;
- Generating new knowledge by developing new or improved;
 - Products;
 - Processes; or
 - Services;
- Documenting the results of your R&D activity

Companies engaged in R&D may be eligible for the following tax benefits:

- Companies with group turnover less than \$20 million receive a 43.5% refundable tax offset which provides the following for eligible expenditure depending on a company's tax position:
 - a 43.5% cash refund to the extent the company is in tax loss;
 - a 16% tax saving/refund if the company is in a tax payable position;
- Companies with group turnover exceeding \$20 million receive a 38.5% non-refundable tax offset which provides the following for eligible expenditure:
 - an 8.5% tax saving

Companies that may be considering registering, or that may have already registered, should also be aware of current compliance requirements including:

- Documenting of the results of R&D activity and the new technical knowledge to be generated;
- Ensuring R&D Applications clearly outline the knowledge gap sought to be addressed during R&D activity;
- Documentation around the nexus of R&D Expenditure and personnel time with registered R&D activity.

If you would like to review the eligibility requirements further, more information is also available here:

<https://www.business.gov.au/assistance/research-and-development-tax-incentive>

<https://www.ato.gov.au/Business/Research-and-development-tax-incentive/>

<https://www.swansonreed.com.au/>

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contact the team at Merit Partners:**

merit@meritpartners.com.au

+61 8 8982 1444

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