

Moore Advisers

Chartered Tax Advisers



R&D TAX INCENTIVE

Simplifying tax to maximise your benefit



What is the R&D Tax Incentive Program?

The R&D Tax Incentive is the Australian Government's flagship program to encourage business to engage in R&D in Australia.

The R&D Incentive provides eligible entities with a tax offset for expenditure on eligible R&D activities and for the decline in value of tangible depreciating assets used for eligible R&D activities.

The objective of the R&D tax incentive is to boost competitiveness and improve productivity across the Australian economy by:

- encouraging R&D that may not otherwise have been conducted;
- providing business with more predictable, less complex support; &
- improving the incentive for smaller firms to engage in R&D.

What is the benefit?

The value of the R&D Tax Incentive depends on an eligible company's turnover.*

Entities with a group turnover < \$20 million:

- a 45% refundable tax offset for the eligible R&D expenditure. This means you may receive a cash refund from the ATO (refer to the table below).

Entities with a group turnover > \$20 million:

- a 40% non-refundable tax offset for the eligible R&D expenditure. Unused offsets are carried forward to offset against future tax liabilities.**

Company Turnover	< \$20 Million		> \$20 Million
Tax Position	LOSS 45% cash refund	PROFIT 45% offset against other tax liabilities, balance in cash	LOSS or PROFIT 40% deduction Unused offset carried forward
	Refundable	Refundable	Non-refundable
Real Value per dollar spent	45 cents	15 cents	10 cents

* entity must not be controlled by an income tax exempt entity

** subject to certain conditions

R&D Tax Services

- Tax Consulting
- R&D Tax Strategies
- Prepare R&D application & tax figures
- Documentation Reviews
- Transfer Pricing Documentation
- Tax Audit Defence
- In-House Training

OUR SERVICES

Tax Consulting

R&D Tax Strategies

R&D Documentation Reviews

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OUR EXPERIENCE

We have a 100% success rate with ATO audits. Our clients like to ensure that they comply with the tax law and with our support can verify that the tax claims are fully substantiated.

BUSINESS SOLUTIONS

We have a network of professionals across various fields to advise you in: legal, finance, international, marketing and valuations.

With this in mind we look to see that all aspects of your claim are covered and connect you to the right people from concept through to commercialisation.



Who is Eligible?

The R&D Tax Incentive program is jointly administered by the Australian Taxation Office and AusIndustry.

To be eligible your company must be either:

- An Australian company;
 - A foreign company that is an Australian tax resident;
 - A foreign company that has a permanent establishment in Australia; or
 - A trustee of a public trading trust.
- The R&D entity must own the results of the R&D;
 - The R&D Activities must be predominantly conducted in Australia.
 - Overseas R&D is allowed in certain circumstances and requires prior approval by AusIndustry.

Eligible R&D Activities

Eligible R&D activities are either core activities or supporting activities.

Core R&D activities are experimental activities:

- whose outcome cannot be known or determined in advance on the basis of current knowledge, and can only be determined by applying a systematic progression of work that:
 - is based on principles of established science; and
 - proceeds from hypothesis to experiment, observation and evaluation, and leads to logical conclusions; andthat are conducted for the purpose of generating new knowledge, which includes new or improved materials, products, devices, processes or services.

Supporting activities are activities that are directly related to the core activity and are predominantly undertaken for the purpose of supporting the core activities.



How we can help

Moore Advisers has a combined total of over 11 years in assisting clients with R&D Tax. As specialist tax and audit advisers our combined practice years exceed 50 years.

Our approach is to first understand your business and your R&D projects. Once we have achieved that, we look to simplify the tax to maximise your benefit.

We are a fully registered tax agent. This means that we can discuss how the R&D claim will impact on all other areas of your tax affairs.



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