

R&D TAX INCENTIVE HEALTH CHECK

Until recently only 3% of R&D claims were reviewed by AusIndustry for project eligibility and even less by the ATO for expenditure. The new R&D Tax Incentive delivers a more generous benefit of 45% but the bar has been raised for compliance, eligibility, record keeping, and expenditure.

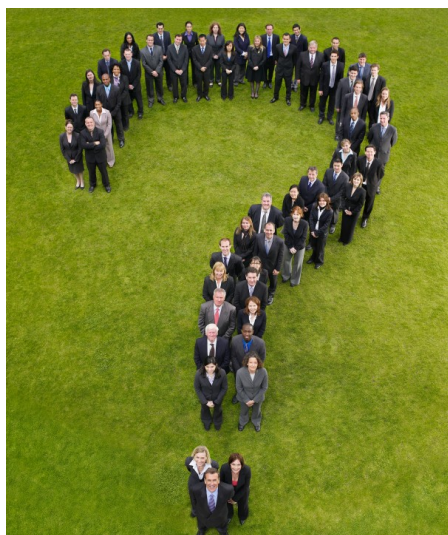
Self assessment – what is it?

- How can you assess yourself if you don't know what you don't know?
- Are you recording your experiments?
- What are the “principles of established science”?
- What are core and supporting activities?
- When do R&D activities start and finish?
- How does the dominant purpose test affect your claim?
- What records do you need?
- What happens if you get it wrong?

It's fine. My accountant does it for a few of his clients and I'm happy with the outcome.

While all accountants are definitely not the same, the ATO reports the highest error rates for R&D claims are made by accountants that lodge less than five claims a year.

The carrot and the stick. Now there is a 45% tax offset at stake, claimants want to be sure they don't get it wrong and have to repay the benefits plus penalty interest.



With 15% of claims now reviewed, most claimants will be scrutinised in the first 5 years and while AusIndustry are keen to sell it, the ATO have broadcast “*the need to balance enthusiasm with integrity*” – code for good record keeping.

Undertaking a free R&D Healthcheck is a great way to sort things out. After a site tour or presentation about the opportunities and challenges facing your business, we address the key issues of the new R&D Tax Incentive.

Quite simply these cover:

- Are my activities eligible R&D for the Incentive?
- What is eligible R&D expenditure?
- What records link the activity and expenditure?
- What records are needed to prove I've used the scientific method?
- What is involved in putting the claim together?

This is combined with a review of your last claim, your record keeping system and the results you have achieved to date.

Healthcheck participants expand their understanding of the activities which can be claimed and how to capture it on an ongoing basis to bolster their compliance.

They've raised the bar! So we have created documents to help you get up to speed quickly and satisfy the scheme's compliance requirements. These include for example, a R&D Project Recording template for software and engineered products, information sheets on important aspects of claiming the Tax Incentive and weekly Labour tracking spreadsheets.



We are celebrating our 24th anniversary as leading government grant advisors and look forward to helping you maximise your return from the new R&D Tax Incentive – call us today for your free R&D Tax Incentive Healthcheck.

For more information, please call or email:

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