

Changed tax benefits for R&D

The federal government is replacing the existing R&D Tax Concession with a new enhanced R&D Tax Credit, effective July 1, 2010.

Treasury released an exposure draft legislation and explanatory materials for the new incentive for public comment on December 18 2009.

Treasury describes the new tax credit as a broad-based and market driven incentive package, with two core components:

- a 45 per cent refundable tax credit (equivalent to a **150 per cent concession**) for companies with a turnover of less than \$20 million, and
- a 40 per cent standard tax credit (the equivalent of a **133 per cent deduction**)

The existing scheme gave rebates of up to 125 per cent.

Treasury says the new tax credit is decoupled from the corporate tax rate and through this, creates certainty in the level of assistance to be provided.

Furntech-AFRDI is a Registered Research Agency (RRA), and can carry out research work which is eligible for the R&D tax break.

For information on how Furntech-AFRDI can assist with your R & D program call (03) 6326 6155 or email info@furntech.org.au