



The Research and Development Tax Incentive (R&DTI) is a way for the Australian Government to encourage business to invest in research and development that will benefit companies and the broader Australian economy.

INCENTIVISING INVESTMENT IN R&D



The R&DTI is an incentive program that supports your company to invest more in eligible R&D activities.

If your R&D activities meet the program criteria, you're eligible for a tax offset that covers some of the costs of your R&D.

The R&DTI is not just a financial support program. It can also be an opportunity to collaborate with research partners, including Research Service Providers (RSPs).

Who should apply for the R&DTI?

You should take a closer look at the R&DTI if you:

- ▶ are **incorporated** under Australian or a foreign law
- ▶ conduct or plan to conduct **R&D activities**
- ▶ have eligible R&D expenditure **greater than \$20,000** (if your expenditure is less than \$20,000 you can still apply for the offset by using a registered RSP to conduct your R&D).

The R&DTI program has two offset rates

43.5% refundable tax offset

for most small-to-medium companies whose annual turnover is **less than \$20 million**.

OR

38.5% non-refundable tax offset

to companies whose annual turnover is **more than \$20 million**.

If your eligible expenditure exceeds \$100 million for an income year, the tax offset is calculated using the company tax rate.



Eligibility - how it works

The R&DTI is a **self-assessment program**. Before you register to apply, you must decide whether your R&D activities are eligible according to the legislation. **You are responsible** for ensuring your R&D activities meet the legal requirements.

- ▶ Refer to the law when assessing whether your activities are eligible.
- ▶ Keep records to support your claim.
- ▶ The Department of Industry, Science, Energy and Resources (DISER) may review your registration to educate you on eligibility and to comply with the law.
- ▶ If you normally engage a tax advisor or consultant for your business matters, you may wish to discuss your R&DTI claim with them.

What are 'eligible R&D activities'?

Types of eligible activities are set out in **Sections 355.25** and **355.30** of the **ITAA 1997**, the law that applies to the program.

Your activities **must meet all of the requirements** of the law for you to be eligible for the program.

HOW TO APPLY

Assess your eligibility

1

Check your company is eligible.

Check that your R&D expenditure is eligible.

Conduct your R&D

2

Keep records that support your claim

3

Register your activities with DISER

4

Receive your registration number from DISER

5

Claim the R&DTI tax offset

6

You can then claim the offset in your annual income tax return, which is assessed by the Australian Taxation Office (ATO).

Information and support

For helpful guidance on interpreting the legislation and keeping records visit business.gov.au/rdti or phone DISER on **13 28 46**.

For R&D entity and expenditure information visit ato.gov.au/Business/Research-and-development-tax-incentive/

The R&DTI is jointly administered by DISER and the ATO.

business.gov.au
13 28 46
Delivered by AusIndustry™