

Budget 2014 - special bulletin

UK companies performing R&D will welcome the chancellor's announcement of a highly significant increase in the benefits available under the R&D tax credits scheme.

The rate of tax credit available for SME companies is to be increased from 1 April 2014 from 11% to 14.5% of enhanced qualifying expenditure. As the current level of enhancement is 225%, this means that the payable tax credit is potentially worth an effective 32.625% of the actual costs. This is a substantial increase in the effective rate, which has been fixed at, or just under, 25% since the scheme's introduction in 2000.

This enhancement to the SME R&D scheme follows on from last year's reform of the large company version, which not only increased the effective benefit available but also included a cash credit facility for loss making large companies for the first time, which had only been available to SMEs previously.

As a leading independent R&D tax relief service provider, we have the right combination of skills and experience to help companies identify their eligible R&D activities, prepare and submit the claim, and if necessary deal with HMRC enquiries. Whether you are already familiar with the process or have not yet considered your eligibility, don't hesitate to contact us to find out how you could benefit.



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If you would like to discuss any aspect of R&D tax relief, please contact Pronovotech on 01223 235500 or by e-mail to richard.lewis@pronovotech.com



' ... Although the ATL scheme will bring with it added complexity, we see it as a positive measure. For large companies whose R&D departments currently receive no direct benefit the credit should be more visible and could have a positive effect on the profit and loss account of the individual cost centre....'

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