



R&D Tax Benefits Reloaded



Changes to the R&D Tax Incentive announced as part of the 2020-21 Federal Budget offer increased benefits and an end to uncertainty around the foreseeable future of the program.

The Federal Government has committed an additional \$2 billion to an exciting new growth phase for the R&D Tax Incentive, providing **net benefits of up to 18.5%**.

When compared to the changes foreshadowed, **almost all claimants will be better off** under the revised program. Companies with high R&D intensity will see benefit rates **increase by up to 90%**, reaffirming the R&D Tax Incentive's role as a key driver of innovation in Australia.

How will my R&D claim change?

For income years commencing on or after 1 July 2021*, a variable intensity premium will enable access to higher R&D tax offsets for larger companies incurring more than 2% R&D expenditure. For smaller companies, the R&D premium will increase to 18.5%.

R&D Intensity

Eligible R&D expenditure as a proportion of total company expenditure

Intensity Premium

The R&D tax offset rate above the company tax rate, comprising of two tiers for larger companies.

Larger Companies

For companies with aggregated turnover of \$20 million or more, the intensity premium will scale upwards based on R&D intensity.

8.5%

Intensity premium on expenditure **up to 2% R&D intensity**

16.5%

Intensity premium on expenditure **over 2% R&D intensity**

Smaller companies

For companies with aggregated turnover below \$20 million, the R&D premium will be fixed.

18.5%

R&D premium

43.5%

Maximum cash refund

*Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020

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Why KPMG?

Accelerating Business Growth with confidence and efficiency



Unrivalled expertise

With one of Australia's largest team of government incentives specialists, KPMG's Accelerating Business Growth (ABG) practice is unrivalled in experience, resource flexibility, performance and efficiency.



In touch with regulators

We meet regularly with the ATO and AusIndustry to keep in touch with the latest guidance and requirements. Our proven methods will help you navigate the complexities of the R&D Tax Incentive with confidence.



Claim preparation simplified

Our real time R&D identification and recording processes integrate with your existing systems to allow for preparation of robust claims in a transparent and efficient way, capturing all eligible activities and costs with minimal disruption to your operations.



Not just R&D Tax

Our specialists take a holistic view of your business and the full range of government funding opportunities that align with your plans for the future. We provide strategic advice and hands-on assistance in preparing strong applications for grants and other discretionary funding.

Our National Team



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