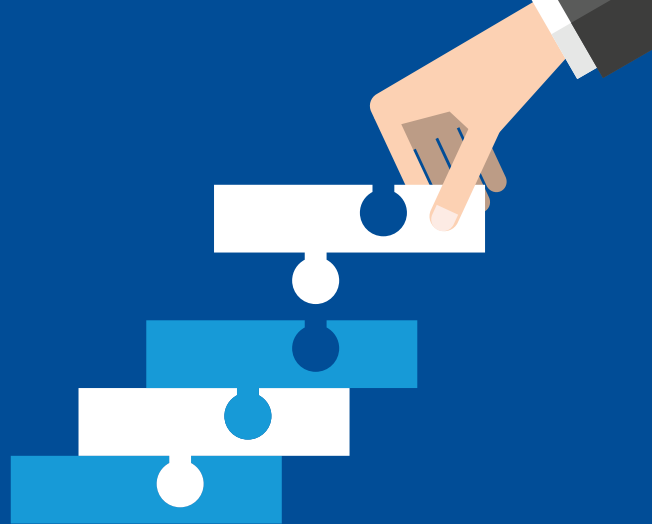
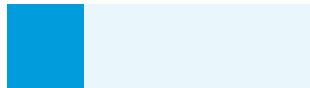


The research and development tax credit



What is the research and development ("R&D") tax credit?

25% tax credit for every euro incurred



tax credit

OR



cash refund

Cash refund:



Claimed over 3 years.

Limited to the greater of:



corporation tax paid in 10 years prior to the previous period,

or



sum of payroll tax liabilities in relevant and prior periods.



12 months to claim from end of relevant accounting period.



+12.5% trading deduction = 37.5% net subsidy.



Available to companies within the charge to Irish tax.



Claimed on a group basis.



R&D must, generally speaking, be undertaken within the European Economic Area (EEA) or the UK.



Must net out grants received from the State, the EU or EEA.

What expenditure qualifies for the credit?



R&D staffing costs:



Raw materials / consumables.



Subcontracted R&D: limited to $\leq 15\%$ (third-party) or 15% (third-level institution) of overall R&D spend, or €100,000 (for accounting periods commencing on or after 22 December 2019).



Power consumed in R&D process.



Plant and machinery: Used for R&D and eligible for wear and tear allowances.



R&D buildings: $\geq 35\%$ used for R&D for 4 years; in use for 10 years.

Are you doing R&D?



Generating new knowledge.



Overcoming technological challenges.



Developing technological solutions.



Undertaken by an experienced professional.

Revenue audits

Revenue generally has 4 years from the end of the year in which the claim is made to commence an audit.

An audit could comprise:



financial and tax technical

and/or



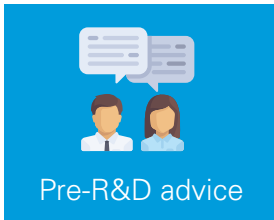
scientific / technological



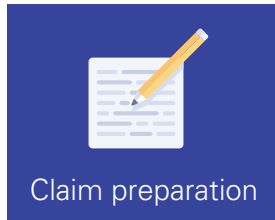
Company must maintain sufficient documentation to support the claim.

KPMG's R&D Incentives Practice

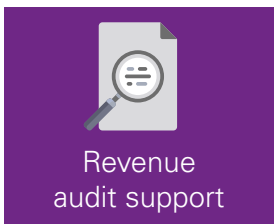
We prepare R&D tax credit claims on either a contemporaneous or retrospective basis, tailored to each client's requirements. Our bespoke claim methodologies have been tried and tested under a significant number of Revenue audits; we also provide support during Revenue audits of claims prepared without KPMG assistance.



Pre-R&D advice



Claim preparation



Revenue audit support



Appeals / court support



Est. 2004

Ireland's largest, longest established, and most experienced R&D incentives practice.



20+ multidisciplinary professionals: tax, finance, science and engineering.



We have worked with companies of every size and scale from every sector.



Revenue audit experience in all sectors.

Contact us

[kpmg.ie/rd](https://www.kpmg.ie/rd)



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