

# R&D Tax Credits

## Do you think you are not carrying out R&D in your company?

It may be well worthwhile for you to assess your activities. Your company could qualify for the valuable R&D tax credit.

At Crowleys DFK, we understand that identifying eligible R&D activities and the level of documentation required to make an R&D tax credit claim can be daunting. Don't be put off. The financial benefits are extremely rewarding.



Successful R&D tax credit claimants typically receive a credit or cash refund of 25% of qualifying costs. So for example, for every €20,000 you spend on R&D you can either:

- get a reduction of €5,000 on your corporation tax bill; or
- if your company is loss making, you may be refunded the €5,000 over 3 years

## How do I know if I qualify for the R&D tax credit?

The range of activities that the R&D credit can apply to is very broad. If you can answer yes to any of the following questions, then you may well qualify for the R&D tax credit:

- Do you manufacture anything?
- Do you carry out any design work?
- Have you developed anything (software, processes, or internal efficiencies)?
- Are you using existing technologies in a unique way or combining or interfacing them in an original manner?

## What expenses can be included in the claim?

Any expenses directly incurred in carrying on R&D activity qualify for a claim.

- **Direct costs** include staff wages, materials, computer software/hardware, subcontracted R&D work.
- Direct overheads such as light, heat and utilities.

## Can I claim for projects that fail or are abandoned?

Yes. Your R&D activity doesn't have to result in a successful product, service or internal process improvement for you to make a claim. Any expense incurred in trying to establish whether it can or cannot be done, will qualify.

## Are there any potential issues?

We advise our clients to expect a Revenue query/audit with every R&D claim made. You will need to be able to defend the claim rigorously as the burden of proof lies with you. Some questions you may need to consider:

- Do the claimed activities meet with the criteria specified in tax legislation?
- Do you have the right documentation in place to support the R&D activities in your claim?
- Are the expenses claimed for the R&D activities correct?
- Have you maintained a record of expenses incurred for the R&D?

## What if I don't have the time or expertise to determine my eligibility for R&D tax relief?

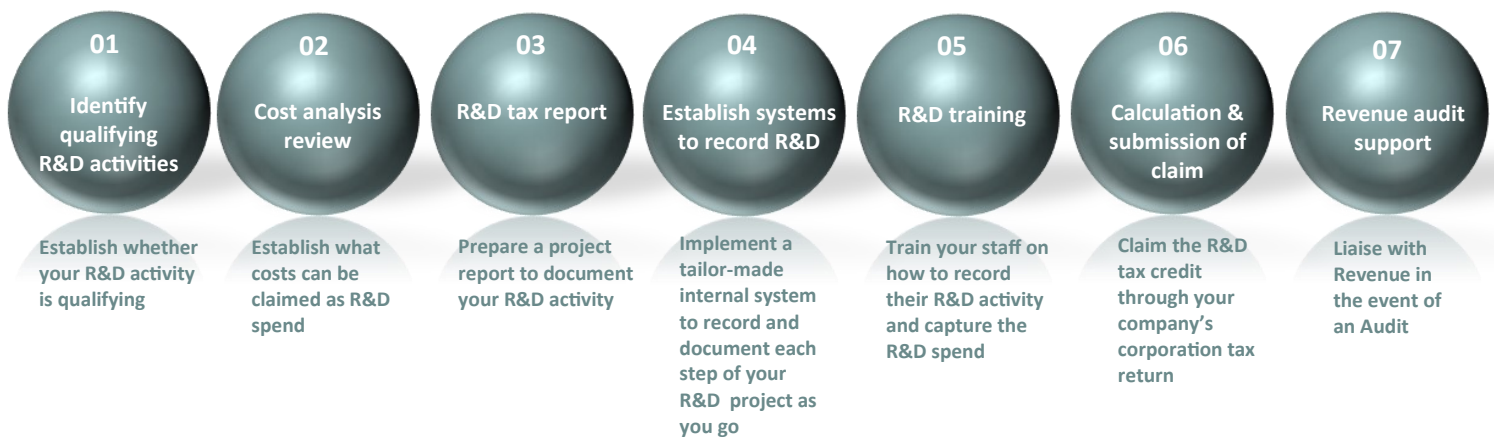
Contact us for a **free initial one-hour consultation**. Our experienced R&D team are ready to discuss how the R&D tax relief could benefit you and assess whether you may qualify.

## How can Crowleys DFK help?

Our experienced and dedicated R&D team can guide you through the R&D tax claim process with minimum disruptions.

From identifying eligible R&D activities and costs to assisting you implement internal systems to record and document activities and costs and manage each step of your R&D process; our step by step R&D process will maximise your credit claim and ensure that you have the appropriate documentation to meet Revenue standards in the event of an audit.

Our aim is to simplify the process and maximise results. Our tailor made process can include some or all of the following phases.



## About us

With offices in Dublin and Cork, the firm has been providing client focused audit, accountancy, taxation, consultancy and advisory services since 1975.

Driven by strong leadership, the firm has steadily grown to become one of Ireland's leading medium sized firms of chartered accountants.

We are proud to deliver services to a client base that includes branches and subsidiaries of overseas and multi-national companies and indigenous owner-managed businesses. They represent a diverse range of today's most innovative industries and sectors.

At Crowleys DFK, we believe in creating value for our clients. We do this by getting to know you and your business and delivering a service that makes a difference.

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