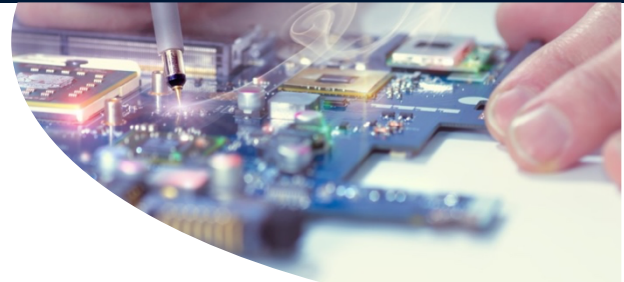


Changes to the R&D Tax Incentive in 2021

The **R&D Tax Incentive** is undergoing a number of reforms as part of the 2020-21 Federal Budget, including increased benefits from July 2021. These changes will impact the 2021-22 financial year.



Changes to the Rates of Benefit

Annual Turnover less than \$20m

The changes, which come in effect in July 2021, see increases to the refundable tax offset percentage points above the claimant's company tax rate. Companies with an annual turnover less than \$20 million receive a refundable tax offset for R&D set at 18.5% above the company tax rate. The expenditure threshold will also increase from \$100 million to \$150 million from July 2021.

Annual Turnover greater than \$20m

Companies with an annual turnover above \$20 million will have their non-refundable offset determined by a new intensity measure, based on R&D expenditure as a proportion of total expenditure for the year. Companies with an intensity measure of between 0-2% will receive an offset of 8.5% above the company tax rate, while above 2% will deliver a 16.5% offset.

Smaller Companies

Companies with an annual turnover of **less than \$20 million** receive a benefit of

43.5%

18.5%

Maximum refund on R&D expenditure

Minimum refundable R&D tax offset

Larger Companies

Companies with an annual turnover of **more than \$20 million** receive a benefit of

8.5%

16.5%

<2% R&D of total company expenditure

>2% R&D of total company expenditure

What is the Research & Development Tax Incentive?

The RDTI is the Australian Government's principal measure to encourage industry investment in R&D. It is a broad-based, market-driven program that aims to boost company competitiveness, improve productivity and delivery economy-wide benefits to Australia. **RADBE Consulting** has worked with thousands of clients in accessing the RDTI benefit and has a well-developed methodology to assist clients at all stages of the claim process. The RDTI must be registered with AusIndustry annually within 10-months following the end of the Company's income year in which the activities were conducted.

Can RADBE help?

Please [contact](#) your local RADBE Consulting office for any assistance with the application or more information regarding either the process or your eligibility. RADBE has assisted companies with the R&D process since 1991 and has a 100% success rate for all technical claims lodged.