



## Trend Chart on Innovation in Europe

### UK 35

#### General presentation of the measure/scheme/action/regulation

##### Country

United Kingdom

##### Geographical coverage, national or regional (state region)

(National)

##### Title of the measure

Research & development: new tax incentives for small and medium-sized companies

##### Information Source/Reference

<http://www.inlandrevenue.gov.uk/home.htm>

##### Overview (nature, main goals)

The provision of tax relief for SMEs conducting R&D to help improve the quantity and quality of R&D undertaken by British firms

##### Action Plan objective addressed by measure

II.6. Taxation

##### Administering agency

###### Inland Revenue

Business Tax Division, United Kingdom

Fax: +44 171 438 6148

Web Site: <http://www.inlandrevenue.gov.uk/home.htm>

##### Name of the manager(s) responsible for the implementation of this measure with address, fax, phone

###### No specific contact

Inland Revenue

Business Tax Division, United Kingdom

#### Description of Scheme

##### General Information

##### Reference to legal basis (e.g. act, public document, ...)

Chancellor's pre-budget report 3/11/98Planned to introduce changes in 2000 budget

##### Does the measure receive central funding or regional funding?

Central

##### Start date

2000

##### Expected date of completion

Indefinite

##### Previous measure (name, date, links with the current measure)

None

##### Reasons for launching/modifying the new measure

:To improve quantity and quality of R&D activity undertaken by UK SMEs. To encourage more R&D.

##### Have any of the main features of the measure/scheme/action/regulation changed during its implementation

Still at consultation phase

##### What is the predominant role of the government?

To introduce and administer taxation legislation, through the Inland Revenue.

#### Target Group

##### Who are the target groups of the measure?

SMEs/Industrial SMEs

#### Organisation and Implementation

Implemented by the Inland Revenue in existing framework for corporate taxation.

##### What are the criteria for eligibility?

Small and medium sized companies (definition of 1985 compnies act)Spending more th £50,000 (EUR 80,480) a year on R&D.Meeting definition of R&D

##### What is the mode of delivery of the measure?



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100% tax relief for expenditure on R&D. Further relief (a "tax credit") equal to 50% of the current spending on R&D, taking the total relief on current spending on R&D to 150% of cost.

**Financing : Overall budget allocated to the measure**

Undefined

**Financing : expenditure per year**

Undefined

**Financing : other budgetary sources (additional financing)**

None known

## Results

### Result Measurement

**What are the main indicators for the measurement of the results ?**

Not known

**Where an evaluation has taken place, what were the main results achieved?**

No evaluation

**If no official evaluation has been undertaken, have there been any indicators of success?**

None known

### Observations

**Which mechanisms seem to function well in the measure?**

Too early to say

**Which mechanisms seem to be less successful in the measure?**

Too early to say

**Are there any other measures planned or in operation as a follow up to this measure? Direction of the planned measures? Objectives? Target groups?**

Not known

