The Research and Development Tax Incentive (R&DTI) is a way for the Australian Government to encourage business to invest in research and development that will benefit companies and the broader Australian economy.

**INCENTIVISING INVESTMENT IN R&D**

The R&DTI is an incentive program that supports your company to invest more in eligible R&D activities.

If your R&D activities meet the program criteria, you’re eligible for a tax offset that covers some of the costs of your R&D.

The R&DTI is not just a financial support program. It can also be an opportunity to collaborate with research partners, including Research Service Providers (RSPs).

**Who should apply for the R&DTI?**

You should take a closer look at the R&DTI if you:

- are incorporated under Australian or a foreign law
- conduct or plan to conduct R&D activities
- have eligible R&D expenditure greater than $20,000 (if your expenditure is less than $20,000 you can still apply for the offset by using a registered RSP to conduct your R&D).

**The R&DTI program has two offset rates**

- **43.5% refundable tax offset**
  for most small-to-medium companies whose annual turnover is less than $20 million.

- **38.5% non-refundable tax offset**
  to companies whose annual turnover is more than $20 million.

If your eligible expenditure exceeds $100 million for an income year, the tax offset is calculated using the company tax rate.
Information and support

For helpful guidance on interpreting the legislation and keeping records visit business.gov.au/rdti or phone DISER on 13 28 46.

For R&D entity and expenditure information visit ato.gov.au/Business/Research-and-development-tax-incentive/

The R&DTI is jointly administered by DISER and the ATO.

Eligibility – how it works

The R&DTI is a self-assessment program. Before you register to apply, you must decide whether your R&D activities are eligible according to the legislation. You are responsible for ensuring your R&D activities meet the legal requirements.

- Refer to the law when assessing whether your activities are eligible.
- Keep records to support your claim.
- The Department of Industry, Science, Energy and Resources (DISER) may review your registration to educate you on eligibility and to comply with the law.
- If you normally engage a tax advisor or consultant for your business matters, you may wish to discuss your R&DTI claim with them.

What are ‘eligible R&D activities’?

Types of eligible activities are set out in Sections 355.25 and 355.30 of the ITAA 1997, the law that applies to the program.

Your activities must meet all of the requirements of the law for you to be eligible for the program.

HOW TO APPLY

Assess your eligibility

Check your company is eligible.
Check that your R&D expenditure is eligible.

Conduct your R&D

Keep records that support your claim

Register your activities with DISER

Receive your registration number from DISER

Claim the R&DTI tax offset

You can then claim the offset in your annual income tax return, which is assessed by the Australian Taxation Office (ATO).