

# APRIL FOOL!

## Don't be fooled by the seven myths of R&D Tax Relief.

You'd really need to be a fool to fall for any of these myths about R&D tax credits, but, just in case, here we separate fact from R&D fiction.

  
**1**

You're not eligible for R&D tax credits unless you wear a white coat and work in a laboratory.

**FOOL!** Any limited company from any sector can be eligible for R&D tax credits - from biotechnology (where there are actually lab coats) to manufacturing; IT to food and drink; engineering to renewable energy (plus all the other sectors we haven't mentioned!). As long as you are working towards an advance in your field and facing uncertainty in how to do it you could very well be doing R&D.

  
**2**

You can only claim for successful projects.

**FOOL!** You can claim R&D tax credits for any eligible R&D project whether there was a successful outcome or not. In fact failure can be a good sign of eligibility - what can be more uncertain than a seemingly impossible project?

  
**3**

You can only claim for your current financial year.

**FOOL!** You can make a retrospective claim up to 2 years from your current financial year end, which means companies new to the scheme can still go back and claim for older projects rather than missing out.

  
**4**

Receiving a grant is a death knell for a claim.

**FOOL!** Whilst it is true that some grants can complicate an R&D tax relief claim, it is still possible to make a claim, and under the SME scheme. Some grants might push you into the RDEC large company scheme, but can still claim.

  
**5**

You can't claim if you are subcontracted to do work by another company.

**FOOL!** Subcontracting can be a tricky situation in an R&D tax credit claim, but it doesn't necessarily mean you can't claim. You need to be very sure about your contractual situation, the work you are contracted to do and who is bearing the brunt of the cost, as all these can have an effect on the eligibility of subcontracted work.

  
**6**

Claiming R&D tax credits is hard.

**FOOL!** Ok, sort of a myth, it's a complicated process that requires knowledge of your technology (easy for you!) but also an in depth knowledge of HMRC's R&D tax credit legislation (not so easy!). But you can cut out the difficult part by enlisting the help of an R&D tax credit expert.

  
**7**

All R&D tax credit experts are the same.

**FOOL!** Make sure you select an R&D tax credit consultancy that understands your technology and will put it at the heart of a claim, leading to a maximised result! The right consultants will help you weed through the myths and provide a comprehensive service to ensure you have the best R&D tax credit experience possible.