

Greens back R&D tax credit

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DEPUTY leader of the Greens Senator Christine Milne has given industry representatives a strong indication that she will support legislation that will enhance Research & Development, especially in small and medium companies.

Milne, who held a two-hour meeting in Canberra last week to discuss the R&D Tax Credit, was keen to identify any remaining issues that would frustrate its passage, AusBiotech chief executive Anna Lavelle, who attended the meeting, said.

"I was heartened by the tone of the meeting and encouraged that biotech companies might finally see that benefit of the tax credit that was intended," she said.

"The meeting agreed that moving to the tax credit and away from the tax concession was good policy and also that cash flow is vital to SMEs and is a trigger to additional R&D activity."

Facilitated by Innovation, Industry, Science and Research Minister Senator Kim Carr's office, the meeting was also attended by representatives from his department, Treasury, AusIndustry and economists, manufacturers, and senior tax law executives.

The research and development tax concession is an ongoing scheme allowing companies to deduct up to 125% of qualifying expenditure incurred on R&D activities when lodging their corporate tax return.

The scheme, worth \$1.6 billion a year to industry, is designed to increase the level of R&D being conducted by Australian companies.

It is broad-based, not industry specific and market-driven with the applicant entity deciding upon the scope and timing of the research and development.

