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http://www.lifescientist.com.au/article/351497/government_seeking_apply_r_d_tax_credit_retrospectively_from_july_1_year/

Government seeking to apply R&D Tax Credit retrospectively from July 1 this year

Kim Carr declares bill will not be defeated by opposition filibustering

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Federal innovation minister Kim Carr has affirmed that the government will seek to have its new R&D Tax Credit apply retrospectively from July 1 this year, providing greater financial certainty for Australian biotechnology companies planning research activities over the next 12 months.

The government is believed to have been close to securing minor party support for the bill in the senate, however, plans to pass it have been frustrated by opposition filibustering which ensured that it could not be read in time to be passed by July 1.

"Australian business has been denied a significant increase in support for R&D," Carr said.

"Those opposed to the legislation have denied many small businesses upfront cash credits for their investments in innovation."

Normally bills not passed before July 1 would have to wait 12 months until the following financial year before being implemented, however the government said that it would seek to enact provisions that would enable the R&D Tax Credit to be applied retrospectively once parliament returns on August 24.

"The Government has announced its intention to pursue a start date of 1 July 2010," Carr confirmed.

CEO of AusBiotech, Dr Anna Lavelle, commended Carr's commitment to the bill's passage and its 1 July 2010 start date, expressing disappointment that such an important piece of legislation had become so political.

"It is regrettable that the political process has hampered the passage of the R&D tax credit legislation," she said. "We remain hopeful that the legislation will ultimately be passed and provide much-needed support to small innovative biotechnology companies." The new R&D Tax Credit would replace the older R&D Tax Concession, which benefitted only those businesses that had already turned a profit. Under the new arrangements companies would receive a cash return on their R&D spending even if they fail to make a profit.