

Status: Point in time view as at 30/03/2006. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 8. (See end of Document for details)

SCHEDULES

SCHEDULE 12

TAX RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

Modifications etc. (not altering text)

- C1** Sch. 12 modified (with effect as specified in art. 2 of the commencing S.I. of the commencing S.I.) by [Finance Act 2004 \(c. 12\), s. 53\(2\)\(6\)](#); [S.I. 2004/3268, art. 2](#)

PART 2

ENTITLEMENT TO RELIEF FOR R&D EXPENDITURE: WORK SUBCONTRACTED TO SMALL OR MEDIUM-SIZED ENTERPRISE

Qualifying sub-contracted R&D expenditure

- 8 For the purposes of this Schedule, the SME's "qualifying sub-contracted R&D expenditure" is the expenditure incurred by the SME on research and development that is contracted out to it where—
- (a) that research and development is contracted out to the SME—
 - (i) by a large company, or
 - (ii) by any person otherwise than in the course of carrying on a trade, profession or vocation the profits of which are chargeable to tax under Case I or II of Schedule D^{F1}, or
 - (iii) by any person otherwise than in the course of carrying on wholly or partly in the United Kingdom a trade, profession or vocation the profits of which are chargeable to tax under Chapter 2 of Part 2 of the Income Tax (Trading and Other Income) Act 2005]; and
 - (b) the conditions of either paragraph 9 or paragraph 10 are satisfied.

Textual Amendments

- F1** Sch. 12 para. 8(a)(iii) and preceding word inserted (with effect in accordance with art. 1(3)(4) of the amending S.I.) by [The Income Tax \(Trading and Other Income\) Act 2005 \(Consequential Amendments\) Order 2006 \(S.I. 2006/959\), arts. 1\(2\), 5\(4\)](#)

Status:

Point in time view as at 30/03/2006. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2002, Paragraph 8.