



# Corporation Tax Act 2009

## 2009 CHAPTER 4

### PART 13

#### ADDITIONAL RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

### CHAPTER 2

#### RELIEF FOR SMES: COST OF R&D INCURRED BY SME

#### *Supplementary*

#### **1060 Payment of tax credit**

- (1) This section applies if an R&D tax credit for an accounting period is payable to a company under this Chapter.
- (2) The amount payable in respect of—
  - (a) the R&D tax credit, or
  - (b) interest on the credit payable under section 826 of ICTA,may be applied in discharging any liability of the company to pay corporation tax.
- (3) So far as the amount is so applied, the duty of the officer of Revenue and Customs to pay the credit under section 1054(4) is discharged.
- (4) Subsection (5) applies if the company's tax return for the accounting period is enquired into by an officer of Revenue and Customs.
- (5) In that case—
  - (a) no payment in respect of the R&D tax credit for the period need be made before the officer's enquiries are completed (see paragraph 32 of Schedule 18 to FA 1998), but
  - (b) the officer may make a payment on a provisional basis of such amount as the officer thinks fit.

*Status: Point in time view as at 17/07/2013.*

*Changes to legislation: Corporation Tax Act 2009, Cross Heading: Supplementary is up to date with all changes known to be in force on or before 13 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (6) No payment need be made in respect of the R&D tax credit if the company has outstanding PAYE and NIC liabilities for the period.
- (7) A company has outstanding PAYE and NIC liabilities for an accounting period if it has not paid to an officer of Revenue and Customs any amount that it is required to pay—
  - (a) under PAYE regulations, or
  - (b) in respect of Class 1 national insurance contributions,
 for payment periods ending in the accounting period.

### **1061 Tax credit payment not income of company**

A payment in respect of an R&D tax credit under this Chapter is not income of the company for any tax purposes.

### **1062 Restriction on losses carried forward where tax credit claimed**

- (1) This section applies if a company claims an R&D tax credit to which it is entitled for an accounting period.
- (2) For the purposes of [<sup>F1</sup>section 45 of CTA 2010] (relief of trading losses against future trading profits) the company's trading loss for the period is treated as reduced by the amount of the surrendered loss for the period.
- (3) The “amount of the surrendered loss” for the period means the amount of the Chapter 2 surrenderable loss in respect of which the company claims an R&D tax credit for the period.

#### **Textual Amendments**

- F1** Words in s. 1062(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 670** (with **Sch. 2**)

**Status:**

Point in time view as at 17/07/2013.

**Changes to legislation:**

Corporation Tax Act 2009, Cross Heading: Supplementary is up to date with all changes known to be in force on or before 13 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.