

Status: Point in time view as at 01/04/2022.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 21. (See end of Document for details)

SCHEDULES

SCHEDULE 21

Section 69(2).

R&D TAX CREDITS: CONSEQUENTIAL AMENDMENTS

Interest

- 1 (1) Section 826 of the Taxes Act 1988 (interest on tax overpaid) is amended as follows.
- (2) In subsection (1) (payments which carry interest) after paragraph (c) insert “; or
(d) a payment of R&D tax credit falls to be made to a company under Schedule 20 to the Finance Act 2000 in respect of an accounting period,”.
- (3) After subsection (3) (material date for repayments of income tax etc.) insert—
- “(3A) In relation to a payment of R&D tax credit falling within subsection (1)(d) above the material date is whichever is the later of—
- (a) the filing date for the company’s company tax return for the accounting period for which the R&D tax credit is claimed, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment of the R&D tax credit is delivered to the Inland Revenue.
- For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the ^{M1}Finance Act 1998.”.
- (4) In subsection (8A) (recovery of overpaid interest)—
- (a) in paragraph (a), after “subsection (1)(a)” insert “ or (d) ”,
- (b) for paragraph (b) substitute—
- “(b) there is—
- (i) a change in the company’s assessed liability to corporation tax, or
- (ii) a change in the amount of the R&D tax credit payable to the company (which does not result in a change falling within sub-paragraph (i)),
- other than a change which in whole or in part corrects an error made by the Board or an officer of the Board, and”.
- (5) After subsection (8B) insert—
- “(8BA) For the purposes of subsection (8A)(b) above, the cases where there is a change in the amount of the R&D tax credit payable to the company are those cases where an assessment, or an amendment to an assessment, is made to recover an amount of R&D tax credit paid to the company for the accounting period in question.”.

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Marginal Citations

M1 1998 c. 36.

Claim must be made in tax return

- 2 In Schedule 18 to the ^{M2}Finance Act 1998 (company tax returns, assessments and related matters), in paragraph 10 (other claims and elections to be included in return), for sub-paragraph (2) substitute—

“(2) A claim to which Part VIII, IX or IXA of this Schedule applies (claims for group relief, capital allowances or R&D tax credit) can only be made by being included in a company tax return (see paragraphs 67, 79 and 83B).”.

Marginal Citations

M2 1998 c. 36.

Recovery of excessive R&D tax credit

- 3 In paragraph 52 of that Schedule (recovery of excessive repayments, etc.)—
- (a) in sub-paragraph (2) (excessive repayments to which paragraphs 41 to 48 apply), before “or” at the end of paragraph (b) insert—
- “(ba) R&D tax credit under Schedule 20 to the Finance Act 2000,”;
- and
- (b) in sub-paragraph (5) (connection of assessment for excessive payment to an accounting period), before “or” at the end of paragraph (a) insert—
- “(ab) an amount of R&D tax credit paid to a company for an accounting period,”;
- and
- (c) at the end of that sub-paragraph after “(a)” insert “ , (ab) ”.

Claims for R&D tax credits

- 4 After Part IX of that Schedule (claims for capital allowances) insert—

“PART IXA

CLAIMS FOR R&D TAX CREDIT

Introduction

- 83A This Part of this Schedule applies to claims for R&D tax credits under Schedule 20 to the Finance Act 2000.

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Claim to be included in company tax return

- 83B (1) A claim for an R&D tax credit must be made by being included in the claimant company's company tax return for the accounting period for which the claim is made.
- (2) It may be included in the return originally made or by amendment.

Content of claim

- 83C A claim for an R&D tax credit must specify the amount of the relief claimed, which must be an amount quantified at the time the claim is made.

Amendment or withdrawal of claim

- 83D A claim for an R&D tax credit may be amended or withdrawn by the claimant company only by amending its company tax return.

Time limit for claims

- 83E (1) A claim for an R&D tax credit may be made, amended or withdrawn at any time up to the first anniversary of the filing date for the company tax return of the claimant company for the accounting period for which the claim is made.
- (2) The claim may be made, amended or withdrawn at a later date if the Inland Revenue allow it.

Penalty

- 83F (1) The company is liable to a penalty where it—
- (a) fraudulently or negligently makes a claim for an R&D tax credit which is incorrect, or
 - (b) discovers that a claim for an R&D tax credit made by it (neither fraudulently or negligently) is incorrect and does not remedy the error without unreasonable delay.
- (2) The penalty is an amount not exceeding the excess R&D tax credit claimed, that is, the difference between—
- (a) the amount of the R&D tax credit to which the company is entitled for the accounting period to which the claim relates, and
 - (b) the amount of the R&D tax credit claimed by the company for that period.”

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