



## **R&D TAX CREDIT REPAYMENTS DELAYED**

The Research & Development (R&D) tax credit scheme for small and medium sized enterprise companies is particularly generous as there is currently 230% relief for qualifying expenditure and, where the company is loss making, this results in a 14.5% repayable credit. This means that the company receives a £33,350 refund for every £100,000 spent on R&D.

This generous tax break has reportedly resulted in abuse of the system. HMRC have recently paused some repayments while they investigate an increase in irregular claims. Unfortunately, even for legitimate claims, this is going to increase processing times.

For the vast majority of claims, HMRC aims to either pay the payable tax credit or contact the claimant regarding the claim within 40 days instead of the previous 28 day response.