

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2010-11
31 May 2010

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: R&D Tax Credit

REFERENCE: Written Question – Senator Eggleston

QUESTION No.: BI-106

Is it correct that one of the major aims of this legislation is to exclude from support activities that are being interpreted as business-as-usual practices – in other words, work that firms would have been likely to have been undertaking anyway regardless of whether they got Government support for it or not?

And, if so, what's the reasoning for that approach?

ANSWER

The incentive is not intended to support routine business activities that are not directly related to R&D and that would have undertaken anyway. General tax deductions may be available for these expenses.