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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
([/government/organisations/hm-revenue-customs](#))

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CIRD98570 - R&D tax relief: legislative structure and time line: FA08 changes

R&D Relief

Enhanced deduction under the Large Scheme increased from 125% to 130% of qualifying expenditure from 1 April 2008. The enhanced deduction under the SME Scheme increased from 150% to 175% from 1 August 2008.

Vaccines Research Relief

The deduction decreased from 50% to 40% of qualifying expenditure from 1 August 2008.

Expenditure incurred on or after 1 August 2008 on subcontractor payments to a charity, university or scientific research organisation must meet all of the conditions applying for all other subcontractor payments. ([CIRD75500](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird75500>))

Qualifying Expenditure

Definition of staff costs extended to include compulsory contributions paid by the company in respect of benefits for directors and employees of the company under the social security legislation of all European Economic Area (EEA) States but including Switzerland. ([CIRD83200](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird83200>))

Companies in difficulty (SME and Vaccines schemes only)

Limits relief to companies that are a going concern at the time when the claim is made. Applies to claims made on or after 1 August 2008. ([CIRD81130](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81130>))

Total aid to project €7.5m or less (SME and vaccines schemes only)

With effect from 1 August 2008, there is a limit of €7.5m on the total amount of aid which can go to any one R&D project. ([CIRD81160](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81160>))

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