

**Senate Economics Legislation Committee**  
**Inquiry into Treasury Laws Amendment (Research and Development Tax Incentive)**  
**Bill 2019 [Provisions]**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Australian Taxation Office**  
JUNE 2020

**Department/Agency:** ATO

**Question:** 11

**Topic:** Estimate of the cost of the program

**Question:**

1. Is the estimate of the cost of the program based on:
  - a. 43.5 per cent for refundables and 38.5 per cent for non-refundables?
  - b. 43.5 per cent for refundables and 8.5 per cent for refundables?
  - c. 16 per cent for refundables and 8.5 per cent for non-refundables?
  - d. If none of these, what is the correct apportionment of costs between refundables and non-refundables?

**Answer:**

An estimate of the cost of the R&D program is shown in the Science, Research and Innovation Budget tables. The cost is a combination of the program expenditure (the 43.5% refundable amount) and the tax expenditures associated with the program (now called Tax benchmarks and variations).