

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
Treasury Laws Amendment (Research and Development Tax Incentive) Bill 2019 [Provisions]
29 June 2020

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: e-bulletin

REFERENCE: Question on Notice (Hansard, 29 June 2020 Page number 47)

QUESTION No.: 8

Senator KIM CARR: Thank you. Given the financial year ends tomorrow, what advice has been tendered to companies making applications or claims for this financial year?

Mr Calder: Companies would be just making claims based on the current law, as it currently stands. Should something change in the future, the ATO would work with companies to amend their claims.

Senator KIM CARR: So has that advice been provided publicly?

Ms Mulder: Yes, that's my understanding.

Senator KIM CARR: In what form?

Ms Mulder: I can double-check this for you, but I was of the understanding that that went out in our e-bulletin last week or the week before.

Senator KIM CARR: On notice, could we have one of those bulletins provided to the committee?

ANSWER

The Department of Industry, Science, Energy and Resources (DISER) periodically send e-bulletins to businesses and tax agents to provide information on the program.

Attached is the e-bulletin sent on 19 June 2020.

[View this email in your browser](#)

Australian Government
Department of Industry, Science,
Energy and Resources

Business

business.gov.au
13 28 46
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June 2020

The R&D Tax Incentive *Information bulletin*

Reminder: Advance and Overseas Finding Deadline

The 30 June 2020 lodgment deadline to submit a provisional application for Advance and Overseas Findings is approaching.

We understand that due to COVID-19, businesses may not be able to complete their application for an Advance or Overseas Finding (1 July 2019 to 30 June 2020 income year) by 30 June 2020. To support businesses in managing their Advance and Overseas claims, we have implemented a temporary provisional application process.

A provisional Advance or Overseas Finding application requires you to submit an Advance or Overseas Finding application form by 30 June 2020, with the minimal details relating to the claimed R&D activities. We will accept this provisional application on the basis that further information required to assess the application will be provided to us by 30 September 2020. The provisional application should be made through the existing Advance and Overseas Smart-form by 30 June 2020. Applicants must ensure that all mandatory fields are completed in the Smart-form. More information on provisional applications is available in our [Special COVID-19 eBulletin](#).

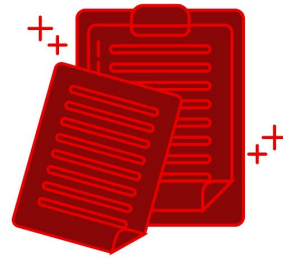
Important Note: There is no provision under the governing legislation for Advance and Overseas Findings to accept applications for the 1 July 2019 to 30 June 2020 income year after 30 June 2020.

You will still be required to provide your R&D Tax Incentive registration receipt number when you lodge your R&D Schedule with the Australian Taxation Office, and submitting a provisional Advance or Overseas Finding alone is not sufficient to claim overseas R&D expenditure in your company tax return. A company must be issued with a positive Advance or Overseas finding to claim overseas R&D expenditure in their tax return for the 1 July 2019 – 30 June 2020 income year.

2020-21 Registration

Applications to be Lodged Under Current Legislation

The Treasury Laws Amendment (Research and Development Tax Incentive) Bill 2019 (the Bill) was passed by the House of Representatives on 10 February 2020, but was referred to the Senate Economics Legislation Committee for further inquiry. In pursuing these reforms, the Government will consider the outcomes of the Senate inquiry report, which is due on 7 August 2020.



Until the Bill passes both Houses of Parliament and receives Royal Assent, the existing legislation will continue to apply. Companies need to continue register for the program under the existing legislation.

For more information about how to lodge your application, please visit business.gov.au



Transforming Your Audio Experience: Nura and the R&DTI

“For a company like Nura to continue to be successful, we need to keep investing in science and research ... keep innovating. Nura wants to continue to develop transformative audio experiences, better ways for you to experience your music, and experience personalised sound.” – Dr Luke Campbell, Co-founder and Chief Technology Officer, Nura

The R&D Tax Incentive is supporting businesses like Nura to invest in their research, and develop unique technology for their products that provide users with the perfect audio experience.

Find out more about how Nura and other companies that are investing in their research and development through our business.gov.au, [LinkedIn](#), [Facebook](#), and [YouTube](#) channels.

New AAT Decisions



Recently, the Administrative Appeals Tribunal (AAT) has delivered decisions that relate to the eligibility criteria in the legislation for the R&DTI.

The AAT highlighted the need for meeting and documenting a systematic progression of work which is based on principles of established science. The decisions also showed how the activities may be excluded from being core R&D activities by section 355-25(2), and the need for supporting activities to be directly related to eligible core R&D activities. You can read the decisions about demonstrating a systematic progression of work and applying the exclusions in the [Coal of Queensland Ltd](#) and [Havilah Resources Ltd](#) on Austlii.

It is important for program participants, and their advisers, to consider AAT decisions and court decisions as they illustrate the legal requirements for R&D to be eligible for this program.

We provide links on our [website](#) to R&DTI AAT decisions and Federal Court judgments.

Questions? Call us on 13 28 46

Support Available

We encourage any business or agent with questions to get in touch with their case manager, call our Contact Centre on **13 28 46**, or use our [web form](#).

More information on broader support available from Government is available on [business.gov.au](#).



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