

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/SMEs

REFERENCE: Written Question – Senator Eggleston

QUESTION No.: BI-101

Does the Department accept that there's some highly complex legal jargon in the new legislation and there are likely to be increased compliance requirements? And can you explain how the legislation will help to enhance SMEs' accessibility to the Credit?

The proposed strengthening of Innovation Australia's powers to choose not to register R&D claims appears to make the regime far more onerous than the normal self-assessment rules for taxation. Is this likely to increase red tape for small business?

ANSWER

The legislation for the new R&D Tax Credit is simpler than the legislation for the R&D Tax Concession, and drafted in plain language. AusIndustry will issue comprehensive guidance material to assist companies in better understanding of the legal provisions relating to the new R&D tax incentive.

Although Innovation Australia's powers in relation to registration will increase under the new R&D Tax Credit, these changes will not increase red tape for small business.