



Finance Act 2023

2023 CHAPTER 1

Corporation tax

4 Amount of relief for expenditure on research and development

- (1) The Corporation Tax Act 2009 is amended as follows.
- (2) In Chapter 6A of Part 3 (trade profits: R&D expenditure credits), in section 104M (amount of R&D expenditure credit), in subsection (3), for “13%” substitute “20%”.
- (3) In Chapter 2 of Part 13 (relief for SMEs: cost of R&D incurred by SME)—
 - (a) in section 1044 (additional deduction in calculating profits of trade), in subsection (8), for “130%” substitute “86%”,
 - (b) in section 1045 (alternative treatment for pre-trading expenditure: deemed trading loss), in subsection (7), for “230%” substitute “186%”,
 - (c) in section 1055 (tax credit: meaning of “Chapter 2 surrenderable loss”), in subsection (2)(b), for “230%” substitute “186%”, and
 - (d) in section 1058 (amount of tax credit), in subsection (1)(a), for “14.5%” substitute “10%”.
- (4) The amendments made by this section have effect in relation to expenditure incurred on or after 1 April 2023.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2023, Section 4.