



# EY Breakthrough Incentives

R&D Tax Relief in the Construction Sector

## Construction

The R&D tax relief scheme was introduced to the UK in 2000 by the Government to enable support to companies that work on projects innovating within science and technology. The scheme can be claimed by a range of companies that seek to research or develop an advance in their field, where there is a level of uncertainty within the sector. Even costs on unsuccessful projects can be claimed.

In order to work out how much can be claimed for on your R&D project, the R&D qualifying expenditure needs to be calculated. This is what has been spent directly on the innovation project you're claiming for.

### The three types of expenditure included are:

- ▶ Cost of buying **materials** used for your innovative project and used only for this project.
- ▶ **Subcontractor** costs involved with only this project.
- ▶ A percentage of each **staff's salary** for those who have worked on the project.

### Previous qualifying projects include:

- ▶ Designing a new bridge system with significant geographical and geological issues and build limitations.
- ▶ Developing solutions to rapid corrosion of materials in challenging environments.
- ▶ Reducing carbon emissions or changing processes to become more environmentally friendly.
- ▶ Designing and building a new type of harbour wall to optimise passenger and operator safety.
- ▶ Developing new processes, machine modifications or factory settings to make manufacturing more efficient or effective.
- ▶ Designing and producing a new powertrain mechanism to increase the efficiency of drive from engine to axle.

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