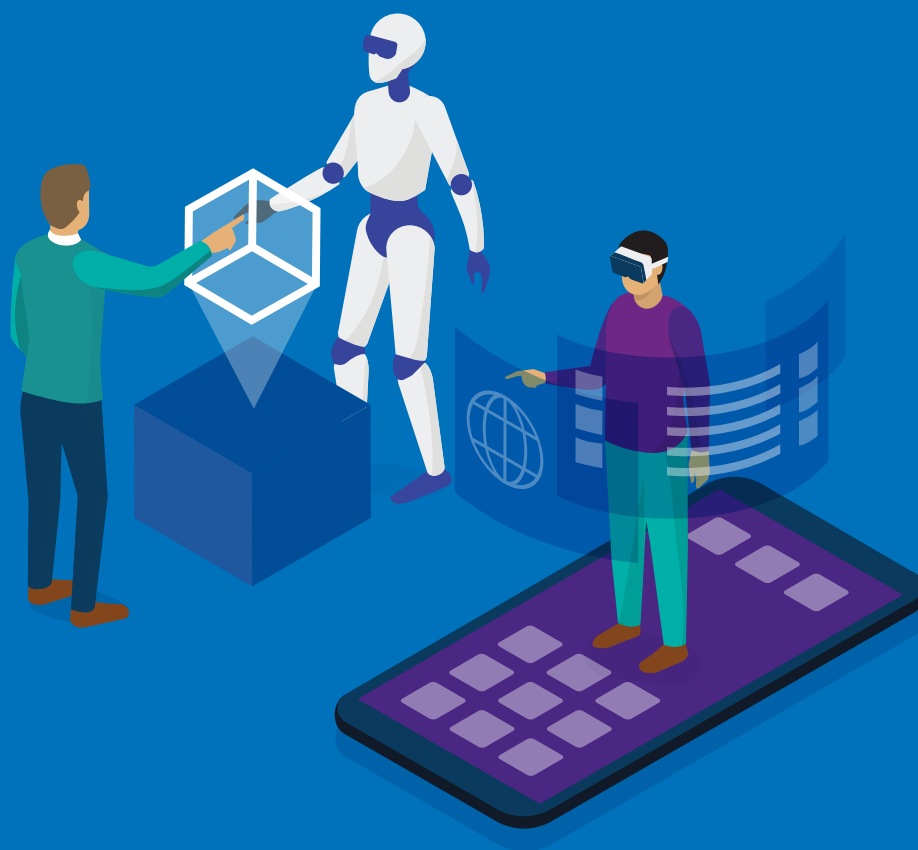




New tax relief for R&D activities



New tax relief for R&D activities

A wider range of R&D incentives



New R&D
tax relief

Grants



Each project that meets the definition of R&D is eligible for the tax relief - there is no competition-based project selection process

The relief is an additional deduction of the eligible R&D costs from taxable income in the amount of:



2016

30%

of salaries

2017

50%

of salaries

2018

100%

Tax relief for all categories of eligible costs for all enterprises

Large Companies

SME

20%

OR

10%

of other costs

Large Companies

SME

50%

OR

30%

of other costs

150%

Tax relief for R&D Centres



An example of the tax bonus per year

Year	Costs of R&D activities per year	Effective reduction of payable income tax
2016	PLN 10M	PLN 570K
2017	PLN 10M	PLN 950K
2018	PLN 10M	PLN 1.9M
2019	PLN 10M	PLN 1.9M
2020	PLN 10M	PLN 1.9M
Total	PLN 50M	PLN 7.22M

R&D activities

are performed in practically all sectors of the economy, including:



agriculture



manufacturing



services



ICT



finance



and many others



mining

Regardless of whether the company has a separate R&D department or not, it is important to remember that R&D does not happen only in the laboratory – quite often work that a company may consider to be normal daily activities is R&D. For example, product development, improvements in manufacturing processes or testing of new materials to reduce costs may all qualify. The list of activities qualifying for R&D relief is extensive.

Examples of activities that can be classified as research and development activities by sector are presented as follows:

Finance

- Development of new innovative functionalities of IT systems
- Development of new electronic payment methods

Agriculture

- Enhanced fertilisers and agricultural chemical application processes and techniques
- Advancement in water conservation

ICT

- Development of programmes
- Development of new digital platforms
- Development of cloud and Big Data applications

Manufacturing

- Development of new or improved products
- Development of more efficient manufacturing processes

Mining

- Development of techniques to locate and extract mineral resources
- Design of new techniques to increase the safety of operations
- Development of raw material processing

Biotechnology, pharmacy

- Extraction of therapeutic substances
- Formulation and stability testing
- Pre-clinical or clinical trials (I-III)
- Scale up of the manufacture of active pharmaceutical ingredients
- Development of medical devices

Engineering/Construction

- New engineering and construction solutions
- Design of new or improved construction materials
- Innovative engineering solutions

KPMG Innovation, Grants & Incentives team

KPMG Innovation, Grants & Incentives team is part of the international KPMG R&D Incentives Network. Our experts have years of experience in identifying and applying for grants and incentives for R&D around the world.

We take a comprehensive approach to ensure our clients can benefit from the R&D tax relief. Our experience in obtaining support for R&D activities is of significant added value for clients and enables the process of claiming the R&D tax relief to be more efficient.



Phase 1

- Identification and mapping of all R&D activities and costs eligible for the tax relief in the company
- Calculation of the amount of tax relief
- Identification of organisational/legal/bookkeeping requirements for implementing the R&D tax relief



Phase 2

- Drafting a report regarding company's R&D activities. The report serves as a justification of the right for tax deduction and may be used during an audit
- Implementation of organisational/legal/bookkeeping solutions enabling the use of the R&D tax relief
- Introduction of security measures, e.g. applying for individual tax rulings
- Preparation of tax calculations and tax settlements with the tax office in order to properly account for the received tax relief
- Assistance during inspections related to the use of R&D tax relief



In the course of our work we also identify and indicate possibilities to receive grants for R&D activities.

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