

Main features of R&D tax incentives in selected OECD, EU and partner economies, 2017

Expenditure-based R&D tax incentives			
Tax relief redeemable against CIT			Tax relief redeemable against PWHT or SSCs
R&D tax credit		R&D tax allowance	
Volume	Incremental/hybrid		
<i>Taxable:</i> Australia, Canada, Chile, United Kingdom (large firms) <i>Non-taxable:</i> Austria, Belgium (incompatible with allowance), Denmark (deficit only), France, Hungary, Iceland, Ireland, Japan (volume and special R&D), Korea (investment), New Zealand (deficit only), Norway	<i>Taxable:</i> United States (credit on fixed, indexed base and incremental for simplified credit) <i>Non-taxable:</i> Italy, Japan (high R&D intensity), Korea, Mexico, Portugal, Spain	<i>Non-taxable:</i> Belgium, Brazil, China, Czech Republic (hybrid), Greece, Hungary, Latvia, Lithuania, Poland (R&D tax allowance, deduction for R&D Centres), Romania, Russian Federation, Slovak Republic (hybrid and volume-based), Slovenia, South Africa, Turkey (hybrid), United Kingdom (SMEs)	
Treatment of unused claims			
Refund option			
Australia (SMEs), Austria, Belgium (after five years), Canada (SMEs), Denmark, France, Iceland, Ireland, New Zealand, Norway, United Kingdom (large companies)	Italy, Spain (reduced, payable credit optional), United States (payroll tax offset for certain start-ups)	United Kingdom (SMEs)	Automatic refund through wage system (limited to PWHT and SSC liability)
Carry-forward option			
Australia, Belgium, Canada, Chile, France, Hungary, Ireland, United Kingdom	Korea, Portugal, Spain (unreduced, non-payable credit), United States	Belgium, China, Czech Republic, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Russian Federation, Slovak Republic, Slovenia, South Africa, Turkey, United Kingdom	Not applicable
Preferential tax incentive provisions or more favourable terms			
SMEs			
Australia, Canada, France, Japan (volume), Norway	Korea, Portugal (start-ups), United States (qualified small business, certain start-ups)	China, Poland (R&D tax allowance), United Kingdom (SMEs)	Belgium (young innovative firms), France (JEI/JEU), Netherlands (start-ups), Spain (innovative SMEs)
Collaboration			
France	Iceland, Japan	Hungary	Belgium
Limitation of R&D tax relief			
Threshold-dependent credit rates			
Canada (CCPCs), France			Netherlands, Russian Federation
Ceilings on amount of eligible R&D expenditure or value of R&D tax relief			
<i>R&D expenditure:</i> Australia, Austria (subcontracted R&D), Chile, Denmark, France, (subcontracted R&D), Iceland, Ireland (subcontracted R&D), Norway <i>R&D tax relief:</i> Hungary, Japan (volume and special R&D), New Zealand (deficit only)	<i>R&D expenditure:</i> Portugal (incremental tax offset) <i>R&D tax relief:</i> Italy, Japan (incremental and high R&D intensity), Korea (large firms), Spain, United States	<i>Subcontracted R&D expenditure:</i> China, Turkey <i>R&D tax relief:</i> Hungary (R&D collaboration), United Kingdom (SMEs) <i>R&D expenditure and tax relief:</i> Slovak Republic (volume-based tax allowance)	Belgium, France, Hungary, Russian Federation, Spain, Sweden, Turkey
Accelerated depreciation provisions for R&D capital			
Belgium, Brazil, Chile, China, Denmark, France, Ireland, Israel (non R&D specific), Lithuania, Poland, Romania, Russian Federation, Spain, United Kingdom			
No expenditure-based R&D tax incentives			
Bulgaria, Croatia, Cyprus, Estonia, Finland, Germany, Luxembourg, Switzerland			

Notes: No details available for Malta.

Source: OECD, R&D Tax Incentive Indicators, <http://oe.cd/rdtax>, April 2018.