



Corporation Tax Act 2009

2009 CHAPTER 4

PART 13

ADDITIONAL RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

CHAPTER 1

INTRODUCTION

Introductory

1039 Overview of Part

- (1) This Part provides for corporation tax relief for expenditure on research and development.
- (2) Relief under this Part is in addition to any deduction given under section 87 for the expenditure.
- (3) Relief under [^{F1}Chapter 2] is available to a company which is a small or medium-sized enterprise, in particular—
 - (a) Chapter 2 provides for relief where the cost of in-house direct research and development or contracted out research and development is incurred by the company,
 - ^{F2}(b)
 - ^{F2}(c)
- ^{F3}(4)
- (5) Chapter 6 contains further provision in relation to relief under [^{F4}Chapter 2] , in particular—
 - (a) section 1081 provides for certain insurance companies to be treated as large companies,

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- ^{F5}(b)
- ^{F5}(c)
- (d) section 1084 contains an anti-avoidance provision dealing with artificially inflated claims for relief or R&D tax credits (as to which, see subsection (7) below).
- ^{F6}(6)
- (7) [^{F7}Chapter 2 also provides] for the payment of tax credits (“R&D tax credits”) where a company which is a small or medium-sized enterprise—
- (a) obtains relief under Chapter 2 ^{F8}..., and
 - (b) makes, or is treated as making, a trading loss.
- (8) Chapter 8 contains provision limiting the amount of relief available under Chapter 2 ^{F9}... in relation to expenditure on a particular research and development project.
- (9) Chapter 9 contains supplementary provision, including definitions.
- (10) For information about the procedure for making claims under this Part see Schedule 18 to FA 1998, in particular Part 9A of that Schedule (claims for R&D tax reliefs).

Textual Amendments

- F1** Words in s. 1039(3) substituted (with effect in accordance with Sch. 15 paras. 28, 29 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 15 para. 13(2)(a)**
- F2** S. 1039(3)(b)(c) omitted (with effect in accordance with Sch. 15 paras. 28, 29 of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 15 para. 13(2)(b)**
- F3** S. 1039(4) omitted (with effect in accordance with Sch. 15 paras. 28, 29 of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 15 para. 13(3)**
- F4** Words in s. 1039(5) substituted (with effect in accordance with Sch. 15 paras. 28, 29 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 15 para. 13(4)(a)**
- F5** S. 1039(5)(b)(c) omitted (with effect in accordance with Sch. 15 paras. 28, 29 of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 15 para. 13(4)(b)**
- F6** S. 1039(6) omitted (with effect in accordance with s. 47(15) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **s. 47(3)(a)**
- F7** Words in s. 1039(7) substituted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), **Sch. 3 para. 16(3)(a)**
- F8** Words in s. 1039(7)(a) omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 3 para. 16(3)(b)**
- F9** Words in s. 1039(8) omitted (with effect in accordance with s. 47(15) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **s. 47(3)(b)**

1040 Relief may be available under more than one Chapter of Part

Expenditure may be eligible for relief under more than one Chapter of this Part.

^{F10}1040ZA Restriction on claiming other tax reliefs

- (1) For provision prohibiting relief being given under this Part and under Chapter 3 of Part 15 (film tax relief), see section 1195(3A).
- (2) For provision prohibiting relief being given under this Part and under Chapter 3 of Part 15A (television tax relief), see section 1216C(4).

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(3) For provision prohibiting relief being given under this Part and under Chapter 3 of Part 15B (video games tax relief), see section 1217C(4).

[For provision prohibiting relief being given under this Part and under section 1217H^{F11}(4) or 1217K (theatrical productions: additional deduction or theatre tax credit), see section 1217JA(2).]

[For provision prohibiting relief being given under this Part and under Chapter 3 of^{F12}(5) Part 15E (museums and galleries exhibition tax relief), see section 1218ZCG(2).]

Textual Amendments

F10 S. 1040ZA inserted (with effect in accordance with Sch. 18 para. 23 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 18 paras. 10, 22](#); S.I. 2013/1817, art. 2(2); S.I. 2014/1962, art. 2(3)

F11 S. 1040ZA(4) inserted (with effect in accordance with Sch. 4 para. 17 of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 4 paras. 11, 16](#); S.I. 2014/2228, art. 2

F12 S. 1040ZA(5) inserted (for specified purposes and with effect in accordance with Sch. 6 paras. 20, 21(1)(b) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 6 para. 12](#)

[^{F13}1040A R&D expenditure credits

(1) For provision enabling a company carrying on a trade to make a claim for an amount in respect of expenditure on research and development (an “R&D expenditure credit”) to be brought into account as a receipt in calculating the profits of the trade for an accounting period, see Chapter 6A of Part 3.

(2) For provision prohibiting a company from making a claim for an R&D expenditure credit and for relief under this Part in respect of the same expenditure, see section 104B.]

Textual Amendments

F13 S. 1040A inserted (with effect in accordance with Sch. 15 para. 27 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 15 para. 2\(2\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)