



# 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 [<sup>F1</sup>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,
  - <sup>F2</sup>(b) .....
  - <sup>F2</sup>(c) .....
- <sup>F3</sup>(4) .....
- (5) Chapter 6 contains further provision in relation to relief under [<sup>F4</sup>Chapter 2] , in particular—
  - (a) section 1081 provides for certain insurance companies to be treated as large companies,

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- <sup>F5</sup>(b) .....
- <sup>F5</sup>(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).
- <sup>F6</sup>(6) .....
- (7) [<sup>F7</sup>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 <sup>F8</sup>..., 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 <sup>F9</sup>... 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.

#### <sup>F10</sup>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<sup>F11</sup>(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<sup>F12</sup>(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](#)

#### [<sup>F13</sup>1040] **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\(2\)](#)

### *Interpretation*

#### **1041 “Research and development”**

In this Part “research and development” has the meaning given by [<sup>F14</sup>section 1138 of CTA 2010].

#### Textual Amendments

- F14** Words in s. 1041 substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 666](#) (with [Sch. 2](#))

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**1042 “Relevant research and development”**

- (1) In this Part “relevant research and development”, in relation to a company, means research and development—
  - (a) related to a trade carried on by the company, or
  - (b) from which it is intended that a trade to be carried on by the company will be derived.
  
- (2) Research and development related to a trade carried on by a company includes—
  - (a) research and development which may lead to or facilitate an extension of the trade, and
  - (b) research and development of a medical nature which has a special relation to the welfare of workers employed in the trade.

<sup>F15</sup>(3) .....

**Textual Amendments**

**F15** S. 1042(3) omitted (with effect in accordance with s. 47(15) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\), s. 47\(4\)](#)

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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](#)