

SCHEDULES

SCHEDULE 3

RELIEF FOR EXPENDITURE ON R&D

Amount of relief for expenditure on R&D by small or medium-sized enterprises (“SMEs”)

- 2 (1) Chapter 2 (relief for SMEs: cost of R&D incurred by SME) is amended as follows.
- (2) In section 1044 (additional deduction in calculating profits of trade), in subsection (8), for “100%” substitute “125%”.
- (3) In section 1045 (alternative treatment for pre-trading expenditure: deemed trading loss), in subsection (7), for “200%” substitute “225%”.
- (4) In section 1055 (tax credit: meaning of “Chapter 2 surrenderable loss”), in subsection (2)(b), for “200%” substitute “225%”.
- (5) In section 1058 (amount of tax credit), in subsection (1)(a), for “12.5%” substitute “11%”.