



# Tax relief for research and development

## New rules for innovation support

Since 1st January, 2016 entrepreneurs have gained the possibility of tax deduction from 110% to 130% of costs incurred for research and development (R&D).

### Eligible costs:

Wages and employee contributions



All enterprises

Deduction  
**130%**

Genuine benefit  
**5,7%**

Acquisition of materials and raw materials



SME

**120%**

**3,8%**

Expertises, opinions, advisory and equivalent services, acquisition of R&D results performed by scientific units

Use of research equipment



Large enterprises

**110%**

**1,9%**

Depreciation of fixed assets\* and intangible assets

### Conditions for using the tax relief:



- expenses incurred for **research and development**,
- eligible costs **are separated in the accounting records**,
- eligible costs **have not been returned to the taxpayer in any form**, e.g. a grant,
- taxpayer is not operating on the basis of permit within a **special economic zone**,
- **deduction of eligible costs incurred in the year of expenditure** (entirely or in parts in following 3 years in case of loss or income is less than the amount entitled to deduction).

### Practical tips:

**No importance for the result of the research**, there is a possibility to qualify projects that have not been successful or have been abandoned.

The tax relief allows for **qualifying projects in progress** - for example projects launched in previous years.

The tax relief does not require **book records broken down into the projects**, but only types of costs.



**Beata Cichocka-Tylman**

*The new tax relief will help to develop R&D in Poland, although introduction of more attractive schemes should be considered.*



**Marcin Sidelnik**

*The act is a step in supporting innovative entrepreneurs. Open question will be approach of tax authorities to control the R&D deduction.*

\*excluding passenger cars and buildings, buildings and premises which are separately owned.

# How can we help?

## R&D processes mapping

PwC experts will carry out the study, by interviews carried out according to a specific scenario, workshops with key staff from the R&D point of view and other analyses.



*R&D processes mapping*

## R&D costs mapping and classification

On the basis of dedicated questionnaires we will specify cost centers and qualify them according to the eligible costs catalogue.



*Classification of R&D costs*

## Tax security

In order to secure tax position we will help in submitting motions for individual tax rulings to the Minister of Finance as well as opinions of independent scientific units about the eligibility of activities as R&D, which will affect the safety of tax relief use.



*Security of tax relief eligibility*

## Review and changes within tax and accounting policy

According to the tax relief requirements, we will examine the condition of the existing policies and recommend necessary changes in the tax and accounting policies of the company.



*Recommendations for changes in policies*

## Changes in the company's internal documents

Using the tax relief may require changes in the internal documents such as regulations, employment contracts, details of transfer pricing.



*Recommendations for changes in documents*

## Separation of R&D expenses in accounting records

We will recommend the proper separation of the accounting records for R&D expenditures and implement changes to the existing accounting system. Also, we will indicate how to properly build R&D cost centers.



*Implementation of changes in the accounting records*

## Practical Handbook

As part of our work, we can prepare a practical handbook indicating identified processes and R&D costs, rules related to the settlement of tax relief and our guidelines for further proceedings.



*Practical Handbook*

## Audit and control of tax relief use

We can carry out an audit of eligible costs and examine the correctness of the tax relief use. Results of our work will be presented in a report with the guidelines and recommendations of possible corrective actions.



*Control report*

**We are ready to support you in each of those areas and to offer a comprehensive advisory services.**



**Beata Cichocka-Tylman**  
Director  
+48 519 506 527  
[beata.tylman@pl.pwc.com](mailto:beata.tylman@pl.pwc.com)

**Marcin Sidelnik**  
Director  
+48 502 184 961  
[marcin.sidelnik@pl.pwc.com](mailto:marcin.sidelnik@pl.pwc.com)