



R&D relief Double benefits

Taxpayers involved in research and development activities are entitled to deduct qualified expenses that have already been included as deductible expenses when calculating income. The preferential treatment therefore allows for a double deduction of a portion of the expenses incurred for research and development, defined as qualifying costs. What is more, in relation to employee qualifying costs (concerning salaries and contributions), these expenses incurred from January 2022 can be deducted at a rate of 200% - it means a triple benefits for taxpayers in this part of relief.

Conditions necessary to take advantage of the R&D relief:

- conducting R&D work defined as creative activity, including scientific research or development work, undertaken systematically in order to gain new knowledge and create new solutions
- keeping separate accounting records for qualifying costs.

Qualifying costs



Expenses incurred for the purchase of specialized equipment



Depreciation write-offs on tangible assets and intangible and legal assets used for R&D



Costs of obtaining and maintaining a patent, utility model protection right, industrial design registration



Expenses for purchase of materials and raw materials



Salaries and contributions in the part that the employee has spent on R&D



Expenses incurred for expert reports, opinions, consulting services and equivalent services from scientific entities



Expenses incurred for the use of scientific and research equipment

Prerequisites for income reduction

- Costs have not been reimbursed to the taxpayer in any form
- Activity is not conducted in a special economic zone
- Relief is within the limits of the Act
- Attaching PIT/BR, CIT/R forms to the annual tax return

Taxpayers

- Capital companies
- Partners in a partnership
- Natural persons running a business

How to apply this in practice?

Stage 1. Analyze

See if the expenses incurred by your company are eligible costs

Stage 2. Document

Keep separate records for the R&D relief > Get a binding tax interpretation

Stage 3. Settle tax

Calculate your income > Calculate the amount of eligible costs included in deductible expenses > Deduct the value of eligible costs from the calculated income > File your annual tax return > Pay less tax

Stage 4. Monitor

Keep records for the R&D relief on an ongoing and continuous basis

CONTACT

Should you be interested and looking for support on the above topic, please feel free to contact us. Our experts will provide support in the implementation of the R&D relief in your company.



Mikołaj Ratajczak
Associate Partner
Tax Advisor
TPA Poland
mikolaj.ratajczak@tpa-group.pl



Grzegorz Gajda
Partner
Attorney-at-law
Baker Tilly Legal Poland
grzegorz.gajda@bakertilly.pl



Iga Kwaśny
Partner
Accounting & Payroll
Outsourcing
TPA Poland
iga.kwasny@tpa-group.pl

TPA is a leading international consulting group, offering comprehensive business advisory services in 12 countries of Central and Southeastern Europe.

In Poland, TPA is one of the largest consulting companies. We provide international corporations and large domestic companies with effective business solutions in terms of tax advisory, accounting and payroll outsourcing, real estate investment consultancy and personnel consulting, as well as audit and business advisory services under the Baker Tilly TPA brand. Legal services, provided under the Baker Tilly Legal Poland brand, have been a natural addition to our interdisciplinary services.

TPA Poland, Baker Tilly TPA, and Baker Tilly Legal Poland are the exclusive representatives of Baker Tilly International in Poland – one of the largest global networks of independent consulting companies.

As a member of Baker Tilly International, we combine the advantages of integrated, interdisciplinary 'one-stop-shop' services with local expertise and global reach of the advisory group.

This document has been prepared for information purposes only and covers general nature. Before taking any action based on the above information, we recommend that you obtain a valid opinion of TPA experts.