

## CT600L – Research and Development

You need to complete these supplementary pages if:

- You are a large company claiming [Research and Development \(R&D\) expenditure credit \(RDEC\)](#)
- Your company is a small or medium-sized enterprise (SME) who has been subcontracted to do R&D work by a large company or has received a grant or subsidy for a R&D project and want to make an RDEC claim
- Your company is a SME and you want to claim [R&D tax relief for SMEs](#)

What to do when you have completed these supplementary pages

- Copy the figure from box L125 on these pages to box 880 on form CT600
- Copy the figure from box L210 on these pages to box 530 on form CT600

Guidance on the Research and Development reliefs can be found in [Corporate Intangibles Research and Development Manual](#).

The legislation for Research and Development Expenditure Credit (RDEC) is found at [Chapter 6A of Part 3 of the Corporation Tax At 2009](#) and the legislation for Research and Development Relief for Small and Medium Sized Enterprises (SME) is found in [Part 13 of the Corporation Tax At 2009](#).

### Notes

The following information is required:

#### L1 Company name

Enter the company name.

#### L2 Tax reference

Enter the company's 10 digit unique taxpayer reference.

**Period covered by this supplementary page (cannot exceed 12 months)**

#### L3 - from DD MM YYYY

Enter the start date of the accounting period.

#### L4 - to DD MM YYYY

Enter the end date of the accounting period.

Step 1 – Calculation of RDEC set against Corporation Tax liability

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Guidance for the RDEC scheme can be found in the [Corporate Intangibles Research and Development Manual](#) and [Chapter 6A CTA 2009 S104N and 140](#)

#### L10 - R&D expenditure on which RDEC is claimed in this accounting period

Insert the amount of expenditure which qualifies for RDEC during this accounting period and on which RDEC is claimed.

#### L15 - RDEC claim for this accounting period

Insert the amount of the total RDEC claim before any discharges, surrenders etc.

**L20 - Amounts from a previous accounting period treated as RDEC for this accounting period**

Insert the amount of RDEC which is brought forward from earlier accounting periods (for example due to s104N(2) step 2 or step 3 CTA 2009 restrictions) where that RDEC has still not been used to discharge a liability or paid to the company.

**L25 - Total RDEC for the accounting period**

This equals the sum of boxes L15 and L20.

**L30 - Corporation Tax liability**

The entry in this box should equal the entry in box 475 on the form CT600

**L35 - Income Tax deducted from profits (applicable to Corporation Tax liability)**

Enter the element of income tax deducted from gross profits and shown in box 515 which needs to be set against the corporation tax liability at box 475.

This will be the full amount if there is no other liability in boxes 480 to 505. If there are other liabilities in boxes 480 to 505, a fair and reasonable apportionment can be made between those liabilities and the box 475 liability, with only the liability which is apportioned against Box 475 being entered in box L35.

**L40 - Maximum amount available for Step 1 set off**

This equals box L30 minus box L35

**L45 - Amount of RDEC used to discharge Corporation Tax at Step 1**

This equals the lesser figure in boxes L25 and L40. If box L25 is not completed then enter '0.00'.

Copy the figure from box L45 to box L195

Step 2 – Calculation of notional tax charge

**Step 2 - Calculation of notional tax charge**

This step restricts the potential payable element and ensures that loss makers receive the same net benefit as profit makers (the credit being taxable). This is achieved by retaining a 'notional' tax such that the total cash benefit for all claimants is equal to the expenditure credit, net of tax at the main rate of corporation tax.

Only complete Step 2 if you have RDEC remaining after completing Step 1

**L50 - Step 1 balance carried forward to Step 2**

This equals box L25 minus box L45

**L55 - Corporation Tax charge on RDEC for this accounting period**

Enter the amount in box L15 multiplied by the tax rate for this accounting period

**L60 – Total RDEC arising in this AP less Corporation Tax charge on the RDEC for this AP**

This equals box L15 minus box L55

**L65 - Step 2 restriction carried forward to next accounting period**

This equals box L50 minus box L60. If box L60 exceeds box L50 enter '0.00'

Copy the figure from box L65 to box L130

Step 3 – Expenditure on R&D workers' PAYE and National Insurance Contributions

### Step 3 - Expenditure on R&D workers' PAYE and National Insurance Contributions

This step further restricts any payable element to the company's total expenditure on R&D workers' PAYE and NIC for the accounting period. The calculation of the capped credit for R&D workers' PAYE and NIC is set out at [CIRD89790](#) and [CIRD89800](#).

Only complete Step 3 if you have RDEC remaining after completing Step 2

#### L70 - Step 2 balance carried forward to Step 3

This equals box L50 minus box L65

#### L75 - Total relevant expenditure on R&D workers' PAYE and National Insurance contributions

Enter the amount of expenditure

#### L80 - Step 3 restriction carried forward to next AP

This equals box L75 minus box L70. If box L70 exceeds box L75 enter '0.00'.

Copy the figure from box L80 to box L145

Step 4 – RDEC to be offset against outstanding Corporation Tax liabilities

### Step 4 - RDEC to be offset against outstanding Corporation Tax liabilities

Any amount remaining after step 3 is used to discharge any outstanding corporation tax liabilities (due but not settled) of the company for any other accounting periods.

#### L85 - Step 3 balance carried forward to Step 4

This equals box L70 minus box L80.

#### L90 - Amount used to discharge Corporation Tax liability of another accounting period

The figure can't exceed the figure in box L85.

Step 5 – Amount surrendered to Group member

### Step 5 - Amount surrendered to Group member

If the company is a member of a group it may surrender the whole or any part remaining after step 4 to any other group member, see [CIRD89810](#)

#### L95 - Step 4 balance carried forward to Step 5

This equals box L85 minus box L90.

#### L100 - Credit surrendered to group member

The figure can't exceed the figure in box L95.

Copy the figure from box L100 to box L160

Step 6 – Amount used to discharge other company liabilities

### Step 6 - Amount used to discharge other company liabilities

Any amount remaining after step 5 is used to discharge any other liability of the company to pay a sum to the Commissioners, for example VAT or liabilities under any contract settlement.

#### L105 - Step 5 balance carried forward to Step 6

This equals box L95 minus box L100.

**L110 – Amount used to settle other company liability on this Corporation Tax Self Assessment**

Copy the figure from box L110 to box L200.

**L115 – Amount used to discharge any other company liability**

The figure can't exceed box L105 minus box L110.

**L120 – Total used to discharge other company liability**

This equals the sum of box L110 and box L115.

Step 7 – Payable  
Research and  
Development  
expenditure credit

**Step 7 - Payable Research and Development expenditure credit**

The final amount remaining is payable to the company provided that the company is a going concern, see [CIRD81130](#).

**L125 – Payable RDEC**

This equals box L105 minus box L120

Copy the figure from box L125 to box 880 on the form CT600.

RDEC carried forward

**RDEC carried forward**

**L130 – Step 2 restriction**

This equals box L65

**L135 – Surrendered to other group company**

Copy the figure from box L135 to box L155

**L140 – Balance carried forward to next accounting period (AP)**

This equals box L130 minus box L135.

**L145 – Step 3 restriction**

This equals box L80

**L150 – Total carried forward to next AP**

This equals the sum of box L140 and box L145.

RDEC surrendered

**RDEC surrendered**

**L155 – Step 2 restriction surrendered**

This equals box L135

**L160 – Step 5 Credit surrendered to group member**

This equals box L100

**L165 – Total surrendered**

This equals the sum of box L155 and box L160.

SME R&D

**SME R&D**

Guidance on SME relief can be found at [CIRD90000](#). The SME scheme legislation is in the [Corporation Tax Act 2009 s1039](#).

**L170 - SME R&D payable tax credit claim for this accounting period**

Guidance in respect of payable tax credits can be found at [CIRD90500](#)

**L175 - SME R&D payable tax credit set-off against other liabilities on this return**

Enter the amount of SME credit that is being set off against other liability in boxes 480 to 505 on form CT600.

The figure cannot exceed the figure in box L170.

Copy the figure from box L175 to box L205.

**L180 - SME R&D balance payable tax credit**

This equals box L170 minus box L175.

**L185 - SME RDEC claim from work subcontracted to it by a large company**

Guidance in respect of work contracted to an SME can be found at [CIRD89740](#) and [CIRD89750](#)

The total RDEC claimed under [sections 104C-104E CTA 2009](#) should be included here.

**L190 - SME RDEC claim from subsidised and capped work**

Guidance in respect of subsidised qualifying expenditure SME can be found at [CIRD89740](#) and [CIRD89760](#)

The total RDEC claimed under [sections 104F-104I CTA 2009](#) should be included here.

Total R&D set off  
against liabilities in  
this Corporation  
Tax Return

**Total R&D set off against liabilities in this Corporation Tax Return**

**L195 - RDEC Step 1 discharge amount**

This equals box L45

**L200 - RDEC Step 6 discharge amount for this accounting period**

This equals box L110

**L205 - SME R&D payable tax credit used to discharge other liabilities on this return**

This equals box L175

**L210 - Total**

This equals the sum of boxes L195, L200 and L205.

Copy the figure from box L210 to box 530 on the form CT600.