

Research & Development ("R&D") Tax Credit Statistics

Sections 766 and 766A of the Taxes Consolidation Act 1997 provides for a tax credit in respect of qualifying expenditure on Research & Development ("R&D"). This credit was introduced in 2004.

Year	Total Exchequer Cost €m	Number of Companies
2004	71	73
2005	65	135
2006	75	141
2007	166	479
2008	146	582
2009	216	900
2010	224	1,172
2011	261	1,409
2012	282	1,543
2013	421	1,576
2014	553	1,570
2015	708	1,535
2016	670	1,506

The R&D tax credit must be used initially to reduce the Corporation Tax liability of the company for the accounting period in which the relevant expenditure is incurred. Any unused amount may be carried forward and used to reduce the Corporation Tax of following accounting periods. Where an excess remains, instead of carrying forward that excess, a company may claim to use it to reduce the Corporation Tax of the preceding accounting period. If any excess still remains it may still be carried forward and used to reduce the Corporation Tax of succeeding accounting periods. In the event that there is no Corporation Tax liability in the current year, the company may claim to have the amount of that excess paid to them by Revenue in 3 instalments over a period of 33 months from the end of the accounting period in which the expenditure was incurred.

The tables on the following pages provide breakdowns of the Exchequer cost of the R&D credit by the accounting period and payable credit components, by the size of claims and by the characteristics of the claimant companies. Where small number of cases are involved, Revenue must restrict the information provided to protect confidentiality of taxpayer information in line with Statistical Disclosure Controls

(<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/about/statistical-disclosure-control.aspx>).

Information on the R&D credit is available on the Revenue website

(<https://www.revenue.ie/en/companies-and-charities/reliefs-and-exemptions/research-and-development-rd-tax-credit/index.aspx>). For queries of a statistical nature in relation to the credit, please contact statistics@revenue.ie.

Breakdown of the cost of the R&D credit by amount offset and payable

Description	2011		2012		2013		2014		2015		2016	
	€m	%	€m	€m	%	€m	€m	%	€m	%	€m	%
Used in the current accounting period	152	58%	142	50%	182	43%	227	41%	349	49%	434	64%
Carried back to previous accounting period	3	1%	4	1%	4	1%	1	0%	<1	0%	<1	0%
Converted into 1st payable credit	46	18%	54	19%	133	32%	146	26%	86	12%	52	8%
Converted into 2nd payable credit	34	13%	50	18%	56	13%	131	24%	145	21%	85	13%
Converted into 3rd payable credit	26	10%	33	12%	46	11%	49	9%	128	18%	99	15%
Annual Total	261	100%	282	100%	421	100%	553	100%	708	100%	670	100%

Breakdown of the R&D credit by value of credit used and Corporation Tax ("CT") liability of the claimant

Value of Credit Used	2011		2012		2013		2014		2015		2016	
	Claimants	CT Liability €m	Claimants	CT Liability €m	Claimants	CT Liability €m	Claimants	CT Liability €m	Claimants	CT Liability €m	Claimants	CT Liability €m
€1 to €10,000	313	24	347	6	312	7	315	4	300	9	284	47
€10,001 to €100,000	733	64	805	71	838	74	829	94	796	69	786	64
€100,001 to €200,000	147	64	163	42	186	48	195	152	196	58	207	146
€200,001 to €300,000	62	86	67	104	68	50	68	54	69	141	71	113
€300,001 to €400,000	30	36	38	53	38	52	40	34	30	9	24	34
€400,001 to €500,000	29	3	25	35	28	84	25	14	29	49	24	36
€500,001 to €1,000,000	51	74	52	131	43	89	41	276	57	507	49	259
€1,000,000+	44	1,326	46	1,347	63	1,035	57	1,053	58	1,507	61	1,754
Total	1,409	1,677	1,543	1,789	1,576	1,439	1,570	1,680	1,535	2,349	1,506	2,453

Breakdown of the R&D credit by the business sector (based on NACE code) of the claimant

Sector	2011		2012		2013		2014		2015		2016	
	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m
Manufacturing	456	128	492	137	506	241	491	379	487	526	475	480
Information & Communication	405	53	462	55	472	64	152	59	156	69	143	65
Wholesale & Retail Trade	152	40	149	46	161	57	504	55	504	59	503	64
Professional, Scientific & Technical	201	22	220	25	225	33	222	33	216	35	223	43
Financial & Insurance	44	9	51	7	49	11	47	10	38	5	32	5
Administrative & Support Services	27	2	30	2	31	5	31	7	25	5	29	5
All Other Sectors	124	8	139	10	132	10	123	10	109	10	101	8
Total	1,409	261	1,543	282	1,576	421	1,570	553	1,535	708	1,506	670

Breakdown of the R&D credit by size (based on employee numbers) of the claimant

Number of Employees	2011		2012		2013		2014		2015		2016	
	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m
Less than 10	505	33	549	38	549	46	528	44	502	39	470	38
11 to 49	497	41	554	46	584	153	563	45	560	47	550	48
50 to 249	292	55	313	57	326	68	341	60	330	62	334	61
250+	115	133	127	141	117	154	138	404	143	560	152	523
Total	1,409	261	1,543	282	1,576	421	1,570	553	1,535	708	1,506	670

Breakdown of the R&D credit by size (based on whether in Revenue's Large Cases Division*) of the claimant

LCD or Non-LCD	2011		2012		2013		2014		2015		2016	
	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m	Claimants	Cost of R&D Credit €m
Non-LCD	1,259	110	1,382	130	1,406	138	1,400	126	1,362	127	1,339	127
LCD	150	151	161	152	170	283	170	427	173	581	167	543
Total	1,409	261	1,543	282	1,576	421	1,570	553	1,535	708	1,506	670

*Revenue's Large Cases Division ("LCD") has responsibility for managing the tax affairs of the largest taxpayers