

Press Release

MMP Tax Ltd Response to the Autumn Statement 2016

For immediate release

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MMP Tax is pleased by the announcements made today by the Chancellor of the Exchequer, Philip Hammond, which expressed the continuation of support for innovation and research and development.

The Chancellor stated that “We do not invest enough in research, development and innovation. As the pace of technology advances and the competition from the rest of the world increases, we must build on our strengths in science and tech innovation to ensure that the next generation of discoveries is made, developed and produced in Britain. So today I can confirm the additional investment in R&D, rising to an extra £2 billion per year by 2021”.

The extra £2 billion a year of funding by the end of this Parliament is an increase of approximately 20% to total government R&D spending. This will be the greatest increase seen in any Parliament since 1979.

The importance of raising productivity was also highlighted as “essential for the high wage high skill economy that will deliver higher living standards for working people across this country” before announcing the formation of a new national productivity investment fund of £23 billion which will be spent on innovation and infrastructure over the next 5 years.

The government also has plans to review the tax environment for R&D in order to build on the introduction of the ‘above tax line’ R&D tax credit “to make the UK an even more competitive place to do R&D”.

There were no mentions of any changes to the Patent Box scheme or the Creative Industry tax reliefs in this autumn statement.

David Marshall, Director at MMP Tax Limited, commented:

“Investment in our countries technology sector is crucial for sustained economic growth and improving productivity. The intended positive review of the tax environment for innovation therefore is to be welcomed. MMP continues to be an active participant in Treasury consultations and it is likely that the enhancements to the R&D incentives will involve a consultation with industry and chosen advisors.

It is good to see artificial intelligence and ‘block chain’ being recognised as technologies that the government wants to support through its ‘industrial strategy challenge fund’. However, not mentioned in the autumn statement, which is perhaps an opportunity missed; MMP feels that government does need to enhance the tax incentives provided through Video Game Tax Relief if it is to remain an important driver for the industry’s growth”.

About MMP Tax:

MMP is a specialist corporate tax consultant. The Company provides corporate tax consultancy services in clearly demarcated areas such as R&D Tax Relief, Patent Box Tax Relief, Video Games Tax Relief and technology-based Capital Allowances.

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The Company employs a mix of engineering, finance and tax specialists. The team has decades of specialist tax consultancy experience between them; work with government on developing various technology-based tax schemes and have extensive professional and academic qualifications in addition to wide-ranging experience in industry.

MMP does not provide general tax advice, tax structural advice, tax avoidance, tax planning, or tax compliance services. MMP is not an auditing firm and does not conduct audit work for our clients. MMP works alongside our Clients in accordance with industry best practice and appropriate ethical standards.

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