

Press Release

MMP Tax Ltd response to the Budget 2015 R&D Tax Relief and the Video Games industry get help from the Chancellor for immediate release

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MMP Tax applauds the Chancellor's announcements in yesterday's budget to continue to support and enhance the range of technology tax incentives originally introduced in 2000, and improved and expanded on since.

Technology Tax Relief schemes are a cross-party governmental success story, last year the number of claims for R&D Tax Relief increased by 16.5% on the previous year and accounted for £1.4 billion of support in R&D. Much of this was claimed by the UK's important SME community.

From 1 April 2015, (Finance Bill 2015); the government will increase the super deduction rate of the R&D Tax Relief SME scheme from 225% to 230% demonstrating that the government wants to ensure that R&D tax credits remain effective in helping small technology businesses to grow.

Earlier this year MMP Tax contributed to an important government consultation process on improving access to R&D tax credits for smaller companies. As a result, the government will implement a package of measures to improve the accessibility of R&D tax credits for smaller businesses.

The Chancellor announced a voluntary 'advanced assurance' scheme lasting 3 years for smaller businesses making their first claim from autumn 2015; and promised to reduce the time taken to process a claim from 2016.

MMP is pleased that the government intends producing new standalone guidance aimed specifically at smaller companies, backed by a 2-year publicity campaign to raise awareness of R&D tax credits. HMRC will publish a document in the summer setting out a roadmap for further improvements to the scheme over the next 2 years.

In the Chancellor's speech Mr Osborne announced a series of measures for technology tax reliefs in the creative sector, including for the Video Games industry. MMP has worked closely with TIGA, the trade association representing the UK video games industry, contributing to TIGA's budget submissions. MMP welcomes the Government's decision to launch a new £4 million Prototype Fund in response to TIGA's budget proposals, to help start-ups in the video games sector. This is in addition to the important Games Tax Relief scheme which MMP provides tax consultancy on.

MMP will continue to encourage the government to work with UK industry and advisors on technology tax regimes that enhance incentives for large companies.

For example the tax support provided to French companies conducting R&D, is up to more than three times more generous than UK support. This is especially important given the mobility of multi-national R&D programmes in response to international tax incentive regimes.

David Marshall, Director at MMP Tax Limited, commented:

“These are significant improvements to the existing technology tax landscape which MMP applauds.

Technology and manufacturing industries are important to the UK’s future, and access to tangible tax incentives that assist them to conduct R&D and continue to invest in intellectual property is very welcome.

MMP works with corporate clients to ensure they get the maximum benefit from these incentives, whilst respecting government’s policy intent for the various technology tax regimes”

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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, Games Tax Relief and technology-based Capital Allowances.

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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See MMP Tax’s Budget Commentary at www.mmp-tax.co.uk