

# Frequently asked questions

## R&D tax credits for Irish construction businesses

### ***R&D tax credits sound too good to be true, what is in it for the government?***

Corporation tax only makes up a small proportion of tax receipts in Ireland. The government receive approximately two thirds of its revenue from income tax and VAT, so the logic behind R&D tax credits is that businesses will grow and employ more staff, ultimately leading to a higher tax take for the Revenue.

### ***We don't deal with complex projects, is it only for businesses operating in particularly challenging sectors?***

No. Construction takes place in extremely unpredictable environments with persistent technical uncertainty arising from poor ground conditions, spatial constraints, adverse weather conditions, neighbouring sites and existing infrastructure. Even if the building or asset itself is nothing out of the ordinary, it's highly likely that a portion of project costs will qualify.

### ***Will claiming R&D tax credits open a Pandora's box with the Revenue?***

No. The Irish government want companies to claim. By using an expert consultant, businesses can avoid the pitfalls that could result in an audit and ensure they optimise their return for participation in the scheme.

### ***Can you claim for internal initiatives?***

Yes, provided they meet the definitions set out in the tax code, there is no reason that internal projects to improve efficiency, sustainability, quality or health and safety would not qualify.

### ***Couldn't we just claim ourselves or use our accountant?***

It's possible but it's time-consuming and potentially risky. The tax code is complicated and self-assessors risk missing fine print that could result in an audit by the Revenue. It's also possible to use accountants, but because they don't understand the technical and contractual nuances of construction, most require substantial input from operations teams to submit the claim, and even then, it's still possible that they will under or overstate the value of the claim.

### ***What do Invennt charge?***

Invennt charges a percentage of the qualifying cost identified for the customer based on the size and type of business. Once an exploratory review has taken place, Invennt provide the prospective claimant with an estimate of the total claim and the percentage fee for their business.



Still got questions? Most companies that employ qualified professionals to overcome technological difficulties have some eligible expenditure, so it is always worth exploring your eligibility. Contact Aidan to book a free consultation.



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