

# The R&D Tax Relief Scheme in 2025

There have been significant changes to the R&D Tax Relief regime over the last couple of years.



## SUMMARY

- Change in the rates of reliefs for the SME R&D scheme from April 2023
- Change in the rates of reliefs for RDEC from April 2023
- From 1st April 2024 – Introduction of R&D Intensive SME Scheme
- From 1st April 2024 – Introduction of merged R&D scheme

## WHAT IS THE NEW R&D TAX RELIEF MERGED SCHEME?

Under the new single merged scheme, relief is given via a taxable above-the-line expenditure credit, which is implemented at the current RDEC rate of 20%.

This Universal rate will be applied to all sizes of companies – with the exception of loss-making SMEs that are “R&D intensive”.

## WHY WAS THE MERGED R&D SCHEME INTRODUCED?

- ✓ The new scheme simplifies the claiming process by unifying the rules for most businesses, and in some cases, removing the headache of navigating between different schemes.
- ✓ It also abolishes restrictions related to grant-subsidised projects, making it easier for companies to claim the relief they deserve.
- ✓ Loss-making, R&D-intensive SMEs will get extra support and benefit from a higher payable credit rate of 27%.

## WHAT ARE THE MERGED R&D SCHEME RATES?

	CURRENT INCENTIVES		CURRENT INCENTIVES		MERGED SCHEME	
	SME R&D Tax Relief		RDEC		Merged Scheme	SME Intensive Scheme
TAX BENEFIT FOR EVERY £100 OF SPEND*	BEFORE 1 APRIL 2023	AFTER 1 APRIL 2023	BEFORE 1 APRIL 2023	AFTER 1 APRIL 2023	FROM 1 APRIL 2024	FROM 1 APRIL 2024
LOSS-MAKING SME	UP TO £33.35	UP TO £18.6	£10.5	£15	£16.2	
PROFIT-MAKING SME	UP TO £24.7	UP TO £21.5	£10.5	£15-£16.2	£14.7-16.2	
R&D INTENSIVE SME		UP TO £27				UP TO £27
LARGE COMPANY			£10.5	£15-£16.2	£15-£16.2	

\* The post tax RDEC/Merged rates from 1 April 2023 will vary depending on the level of taxable profits a company has and corporation tax applied to those profits. The Net RDEC at the main rate of CT (25%) is 15%, for the small companies rate (19%) is 16.2% and for companies paying tax in the marginal rate band (26.5%) is 14.7%.

## WE CAN HELP

If you have any questions relating to R&D tax relief or wish to discuss the implications of recent changes to the R&D tax relief scheme on your own claims, please get in touch with ABGi UK, and a representative will get back to you to discuss your unique needs and explain how we can assist.

### Contact us to find out more

- **Call:** 0330 660 0620
- **Email:** [info@abgi-uk.com](mailto:info@abgi-uk.com)
- **Or visit:** [www.abgi-uk.com](http://www.abgi-uk.com)

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Our accountants told us the rules for claiming R&D tax relief were changing, and recommended we partner with ABGi on our upcoming R&D tax claims.

I had always managed our R&D tax relief claims myself, however, given HMRC's increased scrutiny, I recognised the the need for expert assistance. Bringing in ABGi offered reassurance that we had support ready, should any challenges arise.

| PETER LLEWELLYN-STAMP, DIRECTOR, | PEERLESS PLASTICS & COATINGS

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## About ABGi

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