

INCENTIVES FOR INNOVATION & R&D

»» THE RESEARCH TAX CREDIT (CIR)

The Research Tax Credit is a public grant aimed at increasing companies' competitiveness by backing their R&D efforts (fundamental, applied or experimental development research). The CIR is a tax reduction attributed to all industrial, commercial or agricultural companies.

»» WHAT ARE THE ADVANTAGES?

It consists of:

- A tax credit equal to 30% of the annual R&D expenditure (up to 100 million € of the expenditure)
- A tax credit equal to 5% of the annual R&D expenditure (over 100 million €).

NB: the first year the rate is 50% and 40% the second year. Companies that didn't benefit from this tax credit for the last 5 years can benefit from these rates.

»» WHAT EXPENSES ARE ELIGIBLE?

Mainly expenses pertaining to technological survey, human and material means affected by research, subcontracted research, as well as patents and the defence thereof are eligible for CIR.



What is covered by CIR	What is not covered by CIR
<p>Examples</p> <ul style="list-style-type: none">• Molecule development• Development of a test model• The making of a prototype or a pilot installation	<p>Examples</p> <ul style="list-style-type: none">• The production of a prototype or pilot installation as a normal unit• Marketing activities• Study expenses to improve product style

»» HOW CAN I GET BACK THE CIR?

The Company must fill out a fiscal form (2069A) available on www.impots.gouv.fr and bring it to the fiscal administration. The CIR is either deducted from the taxes or distributed to new companies (during the first 5 years of their existence) that do not raise any benefits. The CIR is otherwise reimbursed during the 3rd year.

Informations : <http://www.enseignementsup-recherche.gouv.fr/Loi de finance 2008 Article 39>