

Finance Act, 2008

Section 27 - Qualifying expenditure: RandD relief and vaccine research relief

1) Paragraph 5 of Schedule 20 to FA 2000 (RandD tax relief: staffing costs) is amended as follows. (2) In sub-paragraph (1)(b), after "company;" insert- "(ba) the compulsory contributions paid by the company in respect of benefits for directors or employees of the company under the social security legislation of an EEA State (other than the United Kingdom) or Switzerland;". (3) Before sub-paragraph (1A) insert- "(1ZB) In sub-paragraph (1)(ba) "social security legislation" means legislation relating to any of the branches of social security listed in Article 3(1) of Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the co-ordination of social security systems (as amended from time to time)." (4) Schedule 13 to FA 2002 (vaccine research relief) is amended as follows. (5) In paragraph 2 (qualifying expenditure)- (a) in sub-paragraph (1)(a), at the end insert "or", (b) omit sub-paragraph (1)(c) (and the "or" before it), and (c) omit sub-paragraph (4). (6) In paragraph 6 (qualifying expenditure on sub-contracted research and development), omit- (a) in sub-paragraph (1), the second sentence, and (b) sub-paragraph (3) (expenditure on research sub-contracted to a charity, a university or a scientific research organisation). (7) Omit paragraph 12 (qualifying expenditure on contributions to independent research and development). (8) Omit paragraph 25 (refunds of qualifying expenditure on contributions to independent research and development). (9) Accordingly, in paragraph 3 of Schedule 8 to this Act (changes to rates of vaccine research relief), omit sub-paragraphs (2)(e) and (3)(d). (10) The amendments made by this section have effect in relation to expenditure incurred on or after such day as the Treasury may by order appoint. (11) Paragraph 10(4) of Schedule 13 to FA 2002 (time limit for giving notice of election for connected persons treatment) does not apply to a notice of an election under that paragraph in relation to sub-contractor payments if- (a) the sub-contractor falls within paragraph 6(3) of that Schedule (repealed by this section) (charity, university or scientific research organisation), and (b) the notice is given before the end of the period of 12 months beginning with the day appointed under subsection (10).