HMRC still rejecting valid claims

Briefings



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CIOT has reiterated concerns that HMRC's handling of R&D tax relief compliance is resulting in valid claims being rejected. The institute wrote again to HMRC in December, following an exchange of letters on this issue over the summer.

Ellen Milner, CIOT's Director of Public Policy, explained: 'Abuse of R&D relief is a genuine problem, and HMRC should take appropriate action to tackle it. However, as well as correctly catching invalid claims, a large number of valid claims are being rejected or withdrawn due to the "volume compliance" approach being taken. HMRC are undermining confidence in R&D tax relief, having eroded the trust that they will accept or properly consider legitimate claims.

CIOT concerns about R&D credits were raised by the Public Accounts Committee at a hearing with HMRC bosses in December. Chief executive Jim Harra told MPs he did not accept CIOT's analysis of the problems in this area but HMRC would continue to engage with the Institute on this.

Read the letter at: www.tax.org.uk/ref1260