

Research and Development (R&D) Corporation Tax Credit under sections 766C, S766D, S766(4D) or S766A(4C) – operational guidance

Part 29-02-03A

This document should be read in conjunction with
TDM [Part 29-02-03 Research and Development \(R&D\) Tax Credit](#),
and
sections 766C and 766D of the Taxes Consolidation Act 1997.

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1 Introduction

This manual provided information about how to submit a claim for the R&D tax credit or the R&D corporation tax credit under sections 766C, 766D, 766(4D) or 766A(4C) for the year 2022 and 2023 and later years.

Note 1: Filers must ensure that they meet the eligibility criteria and file all R&D claims in accordance with the legislation. Policy guidance is in the TDM [Part 29-02-03 Research and Development \(R&D\) Tax Credit](#) specifically paragraphs 2 (2.2, 2.3, 2.4, 2.8) and 8 (8.6.1). Further information about the R&D Corporation Tax Credit is on the website, at this [link](#).

Note 2: An R&D claim made under sections 766 or 766A can be submitted on the 2022 Form CT1 as normal, and there is **no** requirement to complete the R&D Specified Return. The guidance in this manual does not apply to those R&D claims.

Note 3: The process for claiming the R&D tax credits under sections 766C, 766D, 766(4D) or 766A(4C) for the year 2022 is slightly different to that for 2023 and later years. This reflects the fact that the Form CT1 2022 has been available for filing since March 2022. Therefore, an R&D Specified Return is required to be filed for the year 2022 (as per paragraphs 2.2 and 2.3 below).

2 Claiming the R&D tax credits for the year 2022

A filer making a claim for any of the R&D tax credits under 766C, 766D, 766(4D) or 766A(4C) for 2022 must

- (i) tick the relevant boxes on 'Research and Development Credit' panel of the Form CT1 2022 to indicate that a claim is being made, **and**
- (ii) complete and submit the R&D Specified Return (via MyEnquiries – see paragraph 2.3).

In order for an R&D claim under sections 766C, 766D, 766(4D) or 766A(4C) to be processed all the relevant returns must be submitted. The relevant returns are the Form CT1 2022, any related returns such as iXBRL financial statements where required, and the [R&D Specified Return](#).

2.1 Updates to the Form CT1 2022

The Form CT1 2022 is updated to include questions as per the screenshot below.

Form CT1 for Accounting Period 01/01/2022 - 31/12/2022	
<ul style="list-style-type: none"> Irish Rental Income Irish Investment & Other Income Foreign Income Exempt Profits Capital Gains Chargeable Assets Deductions, Reliefs & Credits <li style="background-color: #e67e22; color: white;">Research & Development Credit Film Corporation Tax Credit Capital Gains (Development Land) Close Company Surcharge Recovery of Income Tax Dividend Withholding Tax Calculate Property Based Incentives 	<p>Research & Development Credit and Allowances</p> <p>1 (a) Indicate by ticking this box if you are making a claim under section 766C and/or section 766D. Please complete and submit the specified returns via MyEnquiries to make this claim <input type="checkbox"/></p> <p>1 (b) Indicate by ticking this box if you are making the claim under transitional measures - Claim for payment of excess Research & Development Tax Credit in accordance with section 766(4D) and or section 766A(4C) TCA 1997. <input type="checkbox"/></p> <p>Please complete and submit the specified returns via myEnquiries to make a claim under the transitional measures.</p>

Figure 1 Updated Form CT1 2022

The question “Indicate, inserting T in the box, if you are a ‘relevant micro or small sized company’ within the meaning of Sec. 766(1)(c)” and related questions in the form is deleted. These updates to the Form CT1 2022 are available to filers in ROS and the RPF since 14 August 2023.

Filers making an R&D claim for the year 2022 are required to

(i) indicate on the Form CT1 2022 whether the claim is relating to sections 766C or 766D; or if the claim is made under the transitional measures, and

(ii) submit the detail of the claim in the R&D Specified Return (which is a prescribed return).

Re (i) filers should note that for the year 2022 the Form CT1 has not been amended in full, and the related Revenue system output that is issued after a 2022 Form CT1 is filed has not been amended. This is because the Form CT1 2022 has been available for filing since March 2022. A significant volume of returns for the year 2022 have been submitted and processed by Revenue’s systems. Accordingly, it is not appropriate to make significant amendments to the form layout, calculations or system output. The submission of the Form CT1 2022 will generate Revenue output which is the letter of acknowledgement of the filer’s self-assessment. This is as per the ‘usual’ processing in ROS of the Form CT1.

Re (ii) the processing of the R&D Specified Return (for the year 2022) is done by Revenue caseworkers and after the Form CT1 2022 has been submitted on ROS. The processing of the R&D Specified Return involves checking the validity of the return and the review of the information submitted. Where the claim meets the criteria, the refund and/or offset requested can be approved. The processing of the R&D Specified Return will result in the issue by the caseworker of Revenue output for the 2022 tax year reflecting the result of the processing of the R&D tax credit claim. Therefore, filers of an R&D tax credit claim for the 2022 tax year will receive at least two Revenue statements – the acknowledgement of self-assessment and a caseworker assessment.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

2.2 The R&D Specified Return

The “Form CT1: Corporation Tax return for the year 2022 - R&D Specified Return” (the R&D Specified Return) is available on the website at this [link](#). Information about the R&D Specified Return is included in paragraph 8.6.1 of the TDM [Part 29-02-03 Research and Development \(R&D\) Tax Credit](#) The R&D Specified Return is an excel spreadsheet with 4 sheets

- Summary R&D claim
- S766(4D) S766A(4C) accelerated (*the second and third instalment is being claimed*)
- FA 2022 R&D CT1 2022 - S766C
- FA 2022 R&D CT1 2022 - S766D

The ‘Summary R&D claim’ sheet is populated from the information input by the filer into any of the other 3 sheets. Each of those other sheets includes validations to assist filers to make the R&D claim.

The R&D Specified Return is a prescribed form that is supplementary to the Form CT1 2022. The R&D Specified Return

- forms part of the return for profits for the purposes of section 884 TCA 1997,
- forms part of the self-assessment for the purposes of Part 41A TCA 1997, and
- constitutes a claim for the purposes of section 864 TCA 1997.

2.3 Completing a valid R&D Specified Return

i) The R&D Specified Return completed by a filer must be the excel spreadsheet, accessed from the website at this [link](#). **This is the only return that will be accepted as there are validations and calculations embedded in the spreadsheet.** Filers that create and submit other excel, pdf or other versions of the spreadsheet are not completing the prescribed return. Where filers submit a version of the spreadsheet that is not the version accessed on the website [link](#) (the prescribed return), it will be returned to the filer with the advice that a valid R&D claim has not been submitted. A valid R&D Specified return must be completed and submitted in order for the 2022 R&D claim to be valid.

ii) The ‘Summary R&D claim’ sheet must be completed.

- A filer must include the company details (company name, tax reference number and company accounting period).
- A filer must complete the highlighted boxes to declare the amount of the R&D claim to be repaid and/or the amount to be offset against tax liabilities.

Total claim in respect of the specified return for an amount payable in this accounting period	0
Total claim in respect of the specified return for the net amount treated as an overpayment of tax for the purposes of section 960H in this accounting period	0

- The summary of the 2022 R&D claim is populated from the inputs on the other 3 sheets.
- A filer must complete the mandatory declaration

MANDATORY DECLARATION	Yes	No
I DECLARE that, to the best of my knowledge and belief, this specified return is correct and complete.	Yes	
<i>By selecting 'Yes' you are declaring that you have completed this supplementary return to the best of your knowledge and belief.</i>		

iii) At least 1 of the other 3 sheets must be completed.

iv) For the sheet ‘S766(4D) S766A(4C) accelerated’, the filer should ensure that the amounts claimed on the R&D Specified Return do not inadvertently include amounts already claimed on previous years’ Forms CT1.

v) For the sheet ‘FA 2022 R&D CT1 2022 - S766C’, the amount of spending on the constituent elements must be included (as required by Section 766C(9)(b)).

1(b)(i)	Machinery or plant as referred to in section 766(1A)(a)
1(b)(ii)	Emoluments of the employees carrying on qualifying research and development activities
1(b)(iii)	The sum of the remaining qualifying expenditure incurred by the company during the accounting period concerned.

All other relevant boxes must be completed, including group relief, subcontracted expenditure or grant or other assistance received.

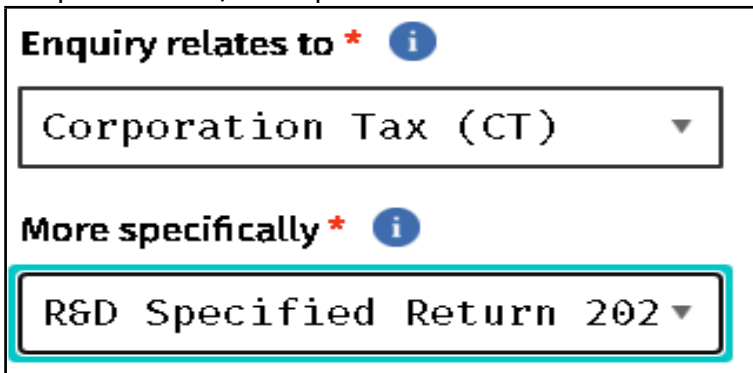
vi) For the sheet ‘FA 2022 R&D CT1 2022 - S766D’, all relevant boxes must be completed, including grant or other assistance received.

For the R&D Specified Return to be processed, the filer must instruct Revenue on how the R&D repayment claim is to be treated; and specify the amount to be offset (an overpayment of tax for the purposes of section 960H) or to be paid in a refund.

No supporting R&D documentation is required to be submitted with the R&D specified return. However, supporting documentation may be requested subsequently to verify that the claim is a valid claim. In this respect, a claim for R&D credit is no different from claiming any other CT relief or tax credit.

2.4 Submitting the R&D Specified Return

Having completed the R&D Specified Return, including the mandatory declaration and instructions regarding the amount of the claim to be paid in a refund or offset, the R&D Specified Return is to be submitted via MyEnquiries. Filers should select the category and sub-category combination 'Corporation Tax/R&D Specified Return 2022'.



The screenshot shows a web interface for selecting an enquiry category and sub-category. It features two sections, each with a title, an asterisk, and an information icon. The first section, 'Enquiry relates to', has a dropdown menu with 'Corporation Tax (CT)' selected. The second section, 'More specifically', has a dropdown menu with 'R&D Specified Return 202' selected. The second dropdown menu is highlighted with a red border.

Figure 2 MyEnquiries category and sub-category selection

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[...]

3 Claiming the R&D tax credits for the year 2023

The 2023 Form CT1 is available for filing since 25 April 2023. Updated versions of the Form will be available from early September 2023, and this manual will be updated at that time. The updates will include questions to enable filers to claim the R&D tax credits for the year 2023, and therefore claims for the R&D corporation tax credit from 2023 onwards will not require the completion of an R&D specified return.

Information about the Form CT1 2023 will, as usual, be provided in a specific TDM which will be published shortly (Part 38-02-01H - Form CT1 2023 - Corporation tax return for accounting periods ending in 2023). This manual provides guidance and information only in respect of the claims for R&D credits.

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