

TAX RESEARCH

ANOTHER outcome of the BRITE project may be greater awareness among construction companies of the tax concessions available to companies that undertake research and development. John Holland group knowledge manager Gerry Shutt says the concession, administered jointly by AusIndustry and the Australian Tax Office, allows companies to deduct 125% of eligible expenditure incurred on R&D from their assessable income. A 175% deduction is available for expenditure that exceeds a three-year rolling average.

The R&D must involve systematic, investigative and experimental activity involving innovation or high levels of technical risk. The concession is an incentive for construction companies to invest in R&D – because it impacts directly on the bottom line, it is very visible to senior management.