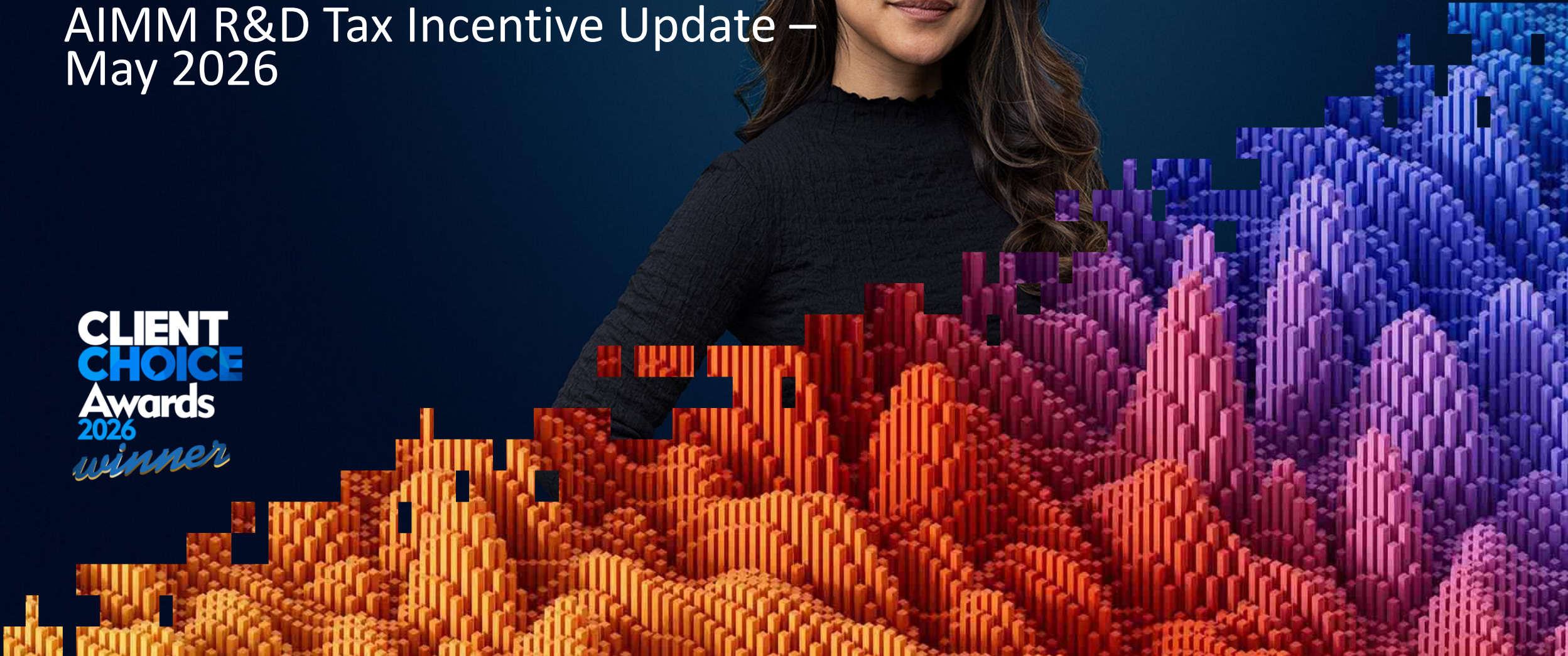




RSM Australia

AIMM R&D Tax Incentive Update – May 2026

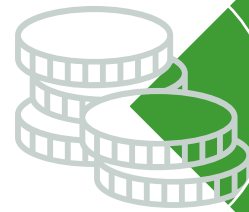
**CLIENT
CHOICE**
Awards
2026
winner



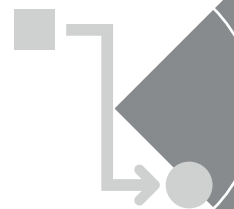
We're covering 3 key areas:



RSM Australia



R&D Tax Incentive –
Recent Trends



Federal Budget

Disclaimer

The information contained in this presentation is general in nature and does not take into account your personal situation. You should consider whether the information is appropriate to your needs and where appropriate, seek professional advice.

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At RSM Australia, our people-centric culture sets us apart

CLIENTCHOICE Awards ²⁰²⁶



8 years in a row!

3 years in a row!

ALSO FINALISTS IN:

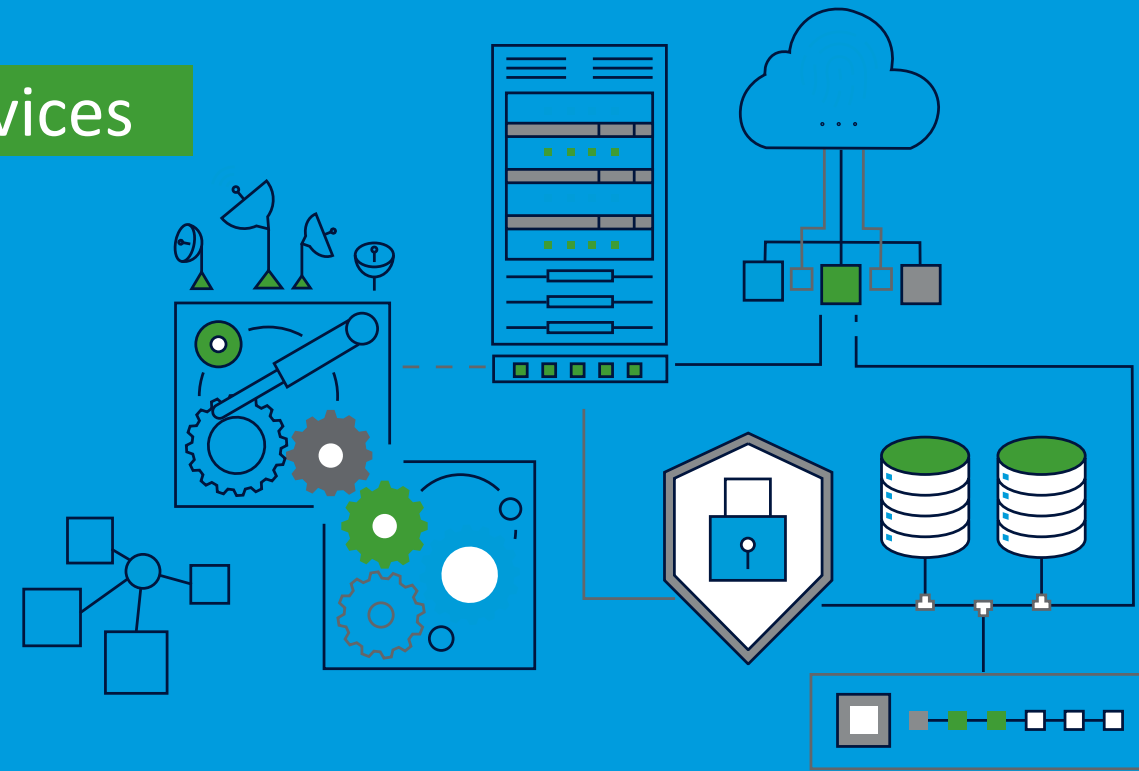
- Best Provider to Power & Utilities (>\$30m)
- Best Provider to Financial & Insurance Services (>\$30m)
- Best Provider to Construction & Infrastructure (>\$30m)



Explore our full suite of services

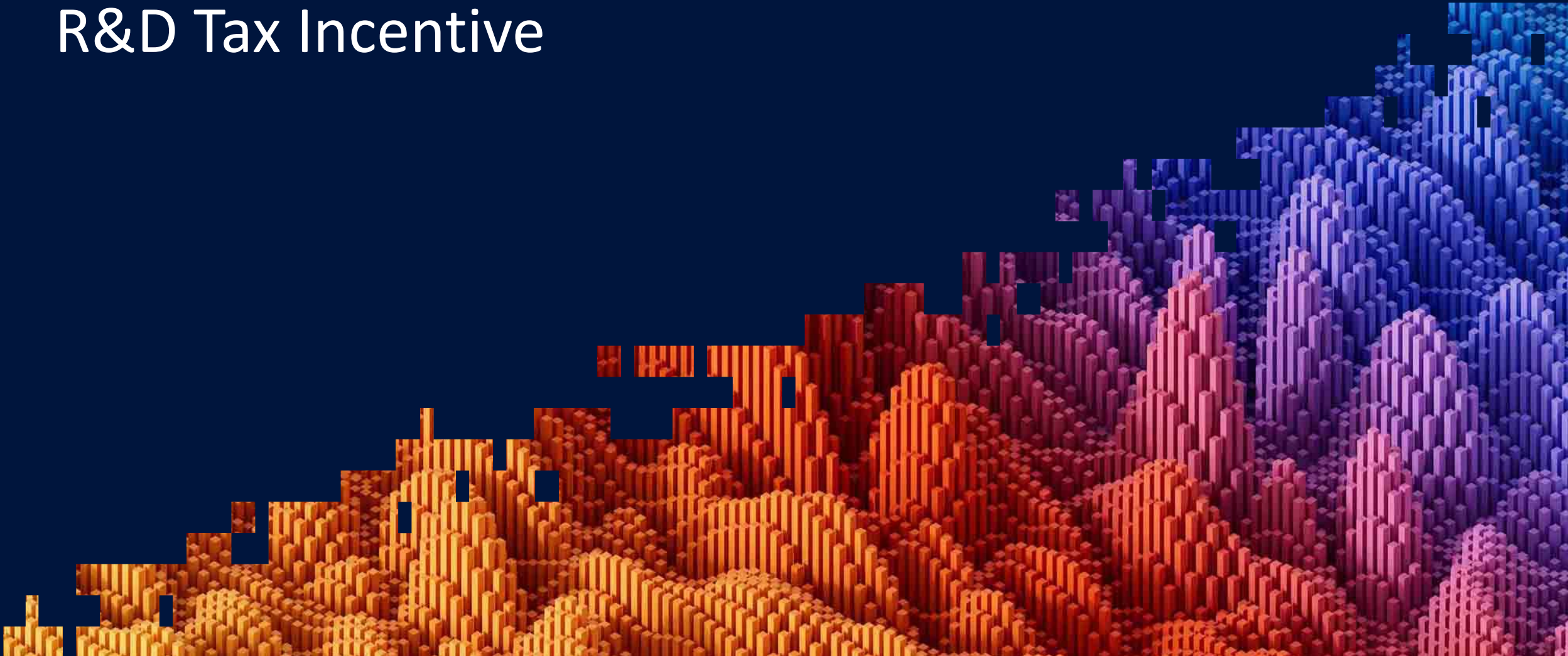
Audit & Assurance
Business Advisory
Consulting Services Corporate Finance
Financial Services
Restructuring & Recovery
Risk Advisory
Tax Services

- Corporate Tax
- R&D / Government Incentives
- ITATP
- Employment taxes
- Indirect Taxes



422 Employees **34** Partners

R&D Tax Incentive



R&D Tax Incentive – What is it?

Flagship program for encouraging R&D. \$16.2 bn claimed
FY23

Entitlement-based (not competitive)

Usually provides up to 48.5% cash back per \$ of
R&D.

Can couple with R&D financing to maximise
runway

What is the process?

Claim Process | How do I claim?

1. R&D Application Form:

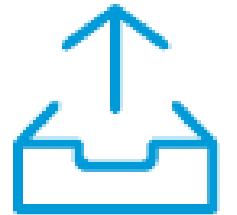
- Identify and register R&D activities
- Within 10 months after income year-end
- 30 April 2026 deadline for year ended 30 June 2025 registrations
- *May still be able to get an extension for FY25 until 31 July.*

2. R&D Schedule:

- Compute R&D expenditure
- Include in R&D Tax Incentive Schedule, lodged with income tax return

3. Documentation:

- Maintain evidence on eligibility of activities and expenditure



R&D Tax Incentives – Recent updates / landscape



R&D Tax Transparency Report (FY22 and FY23 now available)



Significant increases in reviews and audits, as well as level of detail required by DISR and the ATO and the relevant teams handling the reviews



One-strike rule for DISR



New Zealand R&D Program ramping up as competition to Australia. Beneficial for larger businesses in a number of different ways

R&D Tax Incentive – More complex issues / opportunities

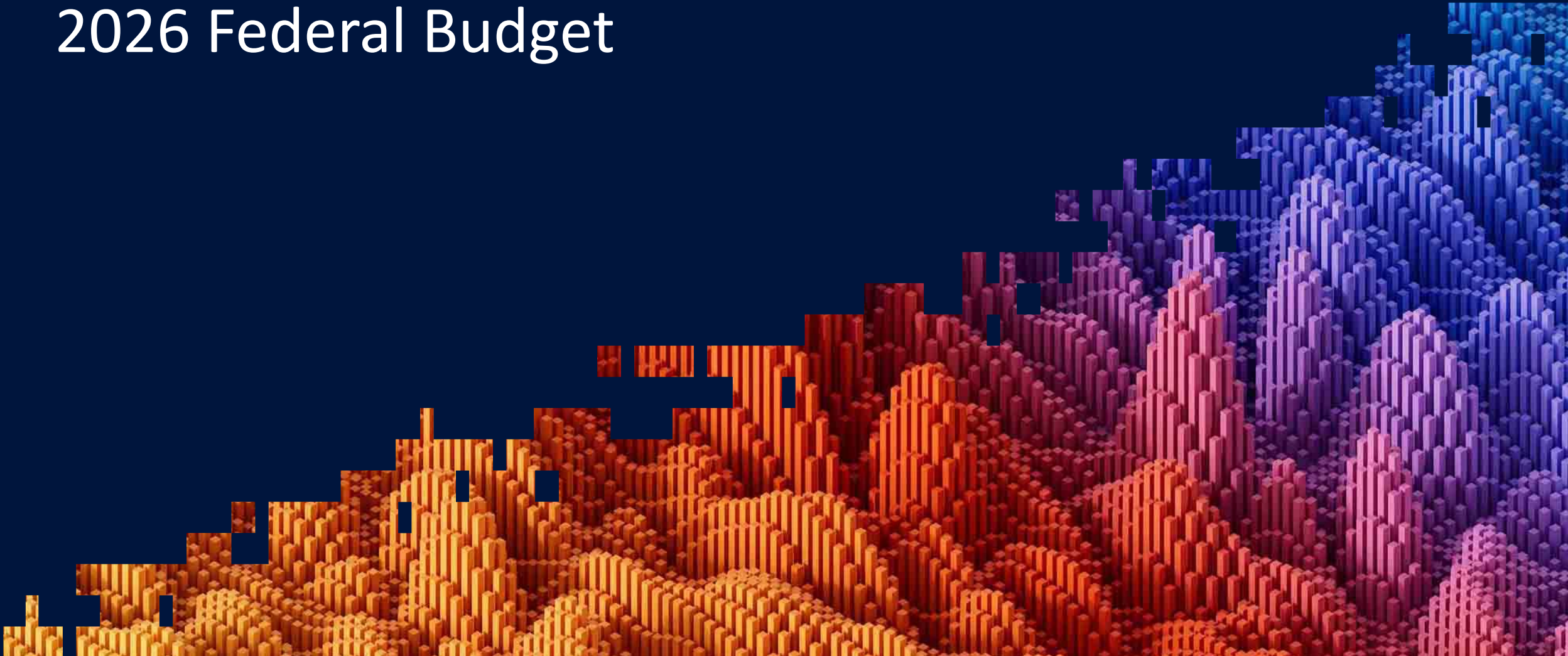
Design expenditure eligibility

Effective life of assets

Balancing adjustment R&D not refundable

Feedstock calculation methodology – clawback
sometimes missed / opportunities not explored

2026 Federal Budget



Key R&D Tax Incentive Reforms (From FY29)

INSIGHTS FROM RSM

Federal Budget

[DOWNLOAD REPORT >>](#)



MAJOR STRUCTURAL CHANGES

- Refundable threshold increased from \$20m → \$50m turnover.
- Minimum spend now \$50k a year.
- Refunds limited to companies <10 years old.
- Expenditure cap increased from \$150m → \$200m.
- Loss carry-back rules (from FY27) + Start-up loss cash-out (from FY29).

RATES & INCENTIVES

- Refundable offset increases to 48% (up to 53% in some cases).
- Non-refundable rates increase to 43%-51% (tiered).
- Intensity threshold reduced 2% → 1.5% (more eligible at higher rate).

PROGRAM REFOCUS

- Supporting R&D activities removed from eligibility.
- Greater focus on core experimental R&D activities.

Practical Impact: Winners, Losers & Considerations

Changes to Research and Development Tax Incentive (RDTI)

[DOWNLOAD REPORT >>](#)

WINNERS

- SMEs with \$20-\$50m turnover, especially <10 years old.
- Businesses with high core R&D (low support activity spend)
- Large companies spending \$150m-\$200m on R&D.

LOSERS

- Businesses with < \$50k R&D spend (new minimum threshold).
- Claims heavily reliant on supporting activities. Although can potentially utilize loss cash-out mechanisms.
- Companies >10 years old (loss of refundability).

KEY CONSIDERATIONS

- Increased ATO scrutiny & compliance focus.
- Main RDTI changes apply from 1 July 2028 (FY29 onwards).
- Structuring / planning – CGT changes plus refundability.
- R&D financing open to many more companies.

Thank you
for your time
and attention