

EXPOSURE-DRAFT

1 Inserts for

2 **Tax Laws Amendment (2013 Measures**
3 **No. 2) Bill 2013: Targeting R&D tax**
4 **incentive to small and medium businesses**

5

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6

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details

1.

2. Schedule ?? The day this Act receives the Royal Assent.

3.

7 **Schedule ??—Targeting R&D tax incentive to**
8 **small and medium businesses**

9

10 *Income Tax Assessment Act 1997*

11 **1 After section 355-100**

12 Insert:

13 **355-103 Exception for large businesses**

- 14 (1) Despite section 355-100, an *R&D entity is not entitled under that
15 section to a *tax offset for an income year if its amount worked out
16 under subsection (2) for the income year is \$20 billion or more.

17 *R&D entity's aggregated assessable income*

- 18 (2) The *R&D entity's amount for the income year is the sum of:
19 (a) its assessable income for the income year; and
20 (b) the assessable income for the income year of any entity that
21 is *connected with the R&D entity at any time during the
22 income year; and

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- 1 (c) the assessable income for the income year of any entity that
2 is an *affiliate of the R&D entity at any time during the
3 income year; and
4 (d) the assessable income for the income year of any entity of
5 which the R&D entity is an affiliate at any time during the
6 income year.

7 **2 Application of amendment**

8 The amendment made by this Schedule applies in relation to an R&D
9 entity's assessments for income years commencing on or after 1 July
10 2013.