

Ireland - Filing the Corporate Tax Return (with R&D Tax Credits)

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This article should not be taken as tax advice - rather, treat this as a prompter to discuss with your tax accountant.

Claiming R&D Tax Credits through the CT1 Form

In Ireland's corporation tax system, the **CT1 form**, filed annually via the Revenue Online Service (ROS), is the formal vehicle through which companies claim the **Research and Development (R&D) Tax Credit** under Sections 766C and 766D of the Taxes Consolidation Act (TCA) 1997.

While supporting technical documentation is essential for substantiating the scientific basis of a claim, it is the **completion of specific panels within the CT1** that constitutes the act of claiming the credit. All eligible expenditure, apportionments, grant offsets, and tax credit instalment preferences must be declared accurately on this return.

Revenue treats the CT1 as the definitive submission under Ireland's self-assessment regime, meaning errors or omissions on this form can render an otherwise legitimate R&D claim invalid, with no discretionary leeway for correction beyond the 12-month statutory amendment window.

Learn More: <https://www.revenue.ie/en/companies-and-charities/corporation-tax-for-companies/corporation-tax/index.aspx>

Deadlines

The standard deadline for filing a CT1 form is nine months after the end of a company's accounting period, with the filing and payment due no later than the 23rd day of that ninth month (e.g. 23 September 2025 for a 31 December 2024 year-end). However, for R&D tax credit claims, there is a **statutory amendment window of up to 12 months** after the accounting period ends.

This allows companies to amend their CT1 within that period if R&D panels were initially omitted or completed incorrectly. Importantly, **Revenue has no discretion** to accept claims or corrections submitted after this 12-month limit, even if the underlying R&D activity was valid.

Learn More: <https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-29/29-02-03.pdf>

Challenges Faced by Companies

1. Filing Ownership & Process Breakdown

A common operational issue in the R&D tax credit process is the lack of clarity around who holds responsibility for preparing the R&D-specific disclosures within the CT1 form. Although the form must be submitted by the company's tax agent via Revenue Online Service (ROS), the preparation of the R&D claim itself requires satisfying two separate compliance tests: the "science test," which determines whether the activity qualifies under Sections 766C or 766D of the Taxes Consolidation Act 1997, and the "accounting test," which relates to the proper

identification and categorisation of eligible expenditure. While the scientific test tends to be more conceptually difficult, involving definitions of technological uncertainty and advancement, this complexity frequently results in broader confusion regarding the financial treatment of claims as well.

In practice, many general tax practitioners do not actively support the preparation of either test. Rather than reviewing, checking, or validating the expenditure figures provided, some tax agents rely on their clients to supply the final R&D cost breakdowns, which are then submitted through the CT1 without reconciliation or independent analysis.

In response to this gap, a secondary market of R&D tax credit accountants has developed, offering financial assistance to claimant companies calculating their claims. These R&D tax credit accountancy practices often hire engineers, PhD researchers or post-docs and others to also help clients with the "science test".

2. Legislative and Technical Compliance Errors

Revenue has identified a series of recurring compliance failures in R&D tax credit claims submitted via the CT1 form, as outlined in their formal communication issued to past claimants.

These include:

- incorrect application of legislation (e.g. selecting Section 766D instead of 766C);
- omission of the required Section 766C(7) election regarding credit treatment;
- missing or invalid expenditure breakdowns;
- and the inclusion of claims submitted beyond the strict 12-month statutory limit.

Revenue has emphasised that it has no discretion in applying these legislative provisions, and that failure to comply with any of these technical requirements renders a claim invalid, regardless of its underlying R&D merit. Companies are strongly advised to review the full notice and consult the Tax and Duty Manual Part 29-02-03 to ensure alignment with all filing requirements.

"Revenue is seeing high instances of errors and inaccurate information being submitted on form CT1 2024 when claiming R&D corporation tax credit. We strongly encourage you to review the accuracy of any R&D claim submitted or to be submitted to ensure you make a valid claim." - **Notice from Revenue to Claimant Companies, 2025**

3. Financial Disclosure and CT1 Panel Errors

A significant proportion of invalid R&D claims result from errors in the completion of the CT1 panels related to expenditure. Under Section 766C of the Taxes Consolidation Act 1997, companies are required to disclose a detailed breakdown of qualifying costs into three categories: **machinery and plant, emoluments, and the sum of the remaining qualifying expenditure**. Revenue has stated unambiguously that, *"The expenditure breakdown should be provided on Section 766C TCA 1997 panels of the CT1. This is a legislative requirement."*

Failure to complete these categories properly is grounds for automatic rejection. In particular, Revenue has noted, *"Amounts generally should not be zero, particularly emoluments,"* indicating that claims showing no staff involvement in R&D are inherently inconsistent with the legislative definition of R&D activity.

Another critical requirement, outlined in Section 766C(7), is the declaration of how the company wishes to treat the first instalment of the tax credit. Companies must specify whether the instalment should be, *"(a) treated as an overpayment of tax, for the purposes of section 960H TCA 1997, or (b) paid to the company by the Revenue Commissioners."* Revenue has observed that this election is often omitted, and warns that, *"Failure to provide this breakdown will lead to an invalid claim."*

Additional errors occur in the treatment of instalments carried forward from prior years. Revenue has identified numerous cases where these values are either misstated or entered in the incorrect section of the CT1, leading to distortions in the claim structure. In parallel, panels relating to subcontractor and university costs are sometimes left incomplete or overstated, contrary to the legislative cap on outsourced expenditure. Revenue advises that, *“Review the subcontractor and university costs panel of the CT1,”* and refer to paragraph 6.1 of the Tax and Duty Manual to ensure proper treatment.

The CT1 is not a narrative summary or internal worksheet. It is the statutory mechanism by which a company elects to claim the R&D tax credit under self-assessment. As Revenue has reiterated throughout its guidance, each section must be completed in full, in accordance with the legislation. Any deviation from this requirement, even if unintentional, may invalidate the claim in its entirety.

2025 - Updates & Videos

In response to the challenges above, Revenue has released a series of "How to" videos in 2025 for claimants.

Find the Link to Videos here: <https://www.revenue.ie/en/companies-and-charities/reliefs-and-exemptions/research-and-development-rd-tax-credit/how-to-videos.aspx>

Where ReaDI-Watch Fits in the CT1 Filing Ecosystem

ReaDI-Watch does not file the CT1 form and does not (cannot) act as a tax agent. Its role is positioned **upstream of the CT1**, focused on enabling the company to generate a defensible R&D claim by systematically capturing the **technical and evidentiary basis** for qualifying activity.

Specifically, ReaDI-Watch supports the "science test" by structuring interview-based documentation, progress records, uncertainty statements, and evidence of systematic investigation. This material is used to populate the technical claim file that underpins the financial disclosures entered into the CT1.

In parallel, ReaDI-Watch can help companies implement a **financial tracking framework** by guiding users through categorisation of R&D expenditure (emoluments, plant, other), and support their accountants to track these line with legislative definitions. However, ReaDI-Watch does not (cannot) validate financial entries or submit returns, and **it does not replace the function of the tax accountant**.

The outputs must be reviewed, translated into eligible cost figures, and ultimately submitted via ROS through the accountant's CT1 workflow. When used effectively, ReaDI-Watch reduces ambiguity, improves audit readiness, and ensures that the technical narrative aligns with the financial disclosures entered into the tax return.

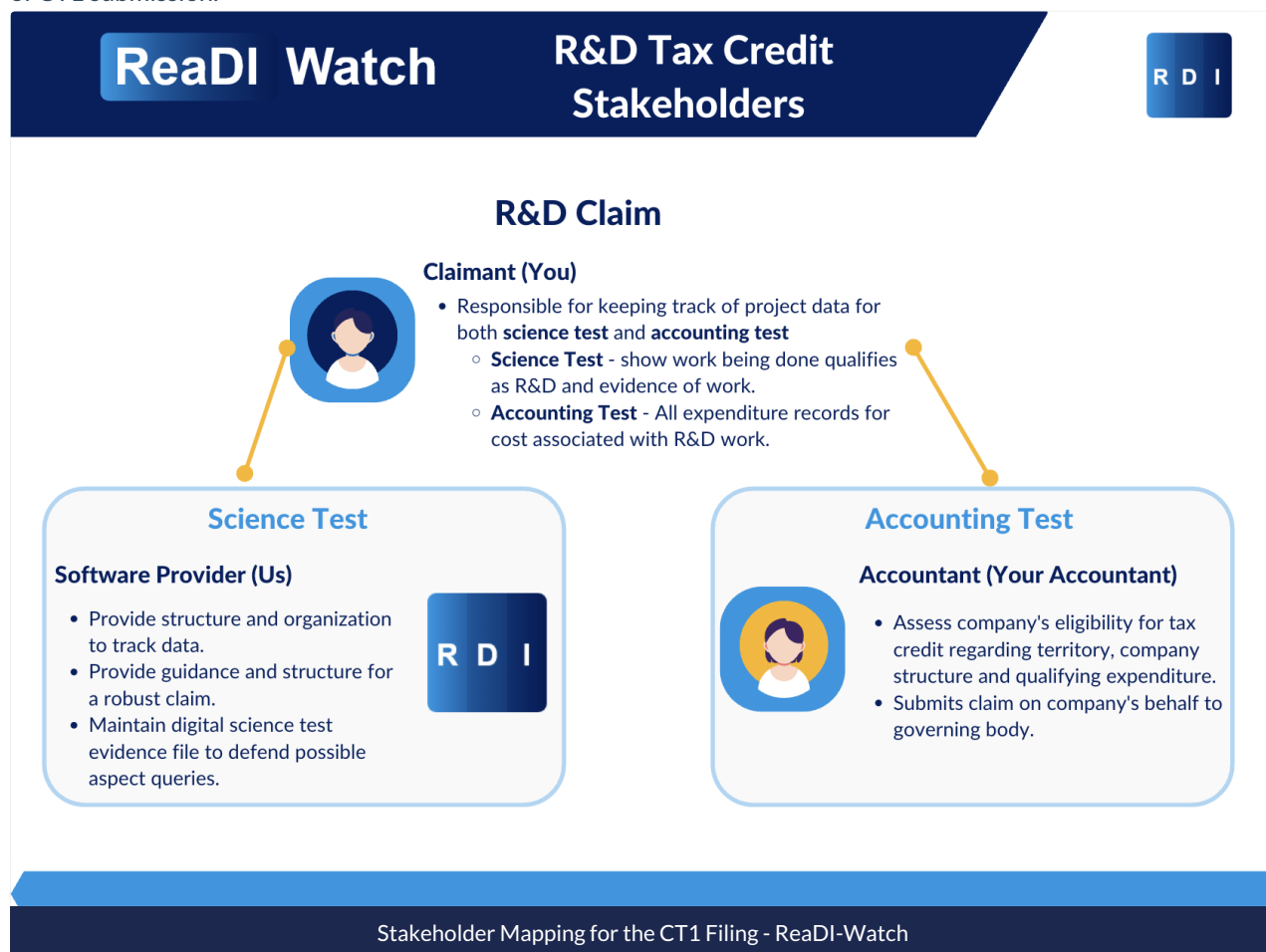
Reducing Frustration: ReaDI-Watch's Role in Supporting Professional Filing

Given ReaDI-Watch's position as an R&D partner, not a tax filer or accountant, we recognise that the final stages of the R&D tax credit process can be a source of frustration.

The separation between those who document the scientific and technical basis of the claim and those responsible for filing the CT1 often creates ambiguity. This is particularly evident when there is no clear process owner ensuring the technical and financial aspects are aligned.

To address this, ReaDI-Watch implements several structured measures to support a professional and coordinated filing process.

First, we schedule financial alignment calls at the beginning, middle, and end of each financial year. These checkpoints bring together the company's tax agent, internal finance personnel, and R&D leaders, along with ReaDI-Watch facilitators. The objective is to ensure that qualifying activity is tracked in parallel with expenditure, and that the treatment of emoluments, grants, subcontractor costs, and other items is understood well in advance of CT1 submission.



Second, where a company lacks appropriate advisory support, we work with a network of trusted partners to connect clients to accounting professionals with relevant R&D tax experience. While ReaDI-Watch does not act as an intermediary or represent any one firm, we believe that creating stronger links between stakeholders improves outcomes. Our approach is rooted in the principle that a more coordinated ecosystem leads to better quality claims, fewer compliance risks, and more confidence for both companies and their advisers.

Third, we invest in education and training. ReaDI-Watch regularly delivers workshops and technical briefings to upskill the broader tax and finance community. For example, we have developed and led training programmes in partnership with professional bodies such as Certified Public Accountants Ireland. Our goal is to promote shared understanding of both the legislative framework and the operational processes that underpin a compliant, audit-ready R&D tax credit claim.

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