

Measuring indirect R&D support: methodologies and preliminary results on cost of tax incentives

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Abstract

While governments' R&D expenditures are reported in national and international publications, this is normally not the case of the R&D-related tax expenditures. It is widely recognised that the omission of tax expenditures from the measurement of government-financed R&D in the Frascati Manual and in the related surveys leads to incomplete indicators of public R&D support.

The presentation will compare and analyse R&D tax incentive costs provided by several countries. The information comes from an updated ad-hoc OECD questionnaire on R&D tax incentives sent to participating OECD and non-OECD countries. This year questionnaire focused on updating the actual cost of R&D incentives (or tax expenditures) for the latest years and the methodology used by countries to estimate the cost of such tax incentives.