



Indie Dev' Guide Video Games Tax Relief Claim

Introduction

Video Games Tax Relief (VGTR) is a creative industry tax relief for Video Games Development Companies (VGDC) which was introduced in April 2014. You can claim VGTR up to 2 years after a qualifying accounting period end.

Qualifying Rules

Your company qualifies for and can claim creative industry tax reliefs if it is:

- liable to Corporation Tax
- directly involved in the production and development of video games

Eligibility

Your company will be entitled to claim VGTR if the video game is British and:

- the video game is intended for supply, rather than for a marketing tool, for example
- at least 25% of core expenditure is incurred on goods or services that are provided from within the European Economic Area (EEA)

If your company qualifies to claim VGTR your company is also entitled to:

- an additional deduction in computing its taxable profits
- where that additional deduction results in a loss, to surrender losses for a payable tax credit

The 'Cultural Test'

To qualify for the creative industry tax reliefs all video games must pass a cultural test with the BFI, certifying that the production is a British video game.

Information you will need:

1. Confirmation of the start date and end date of the development of each video game subject to a VGTR claim.
2. A copy of the interim or final certificate issued by the British Film Institute for each video game under development during the accounting period, which confirms a game is culturally British.
3. Details of estimated and actual income for each video game under development, which is subject to a VGTR claim.
4. Details of estimated and actual expenditure incurred on the development of each game.

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