



Patent Box - extension to the agricultural and low emissions technologies sectors

- <https://www.ato.gov.au/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Patent-Box---extension-to-the-agricultural-and-low-emissions-technologies-sectors/>
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Patent Box – extension to the Agricultural and Low Emissions Technologies sectors

The Australian Government is now in caretaker. Announced measures that are not yet law will be subject to consideration by the incoming government. In these circumstances, you need to self-assess based on the current law. If you choose to anticipate new law in line with the announcement and it is not enacted, you may need to seek an amendment.

For more information, see [Administrative treatment of retrospective legislation](#).

On 29 March 2022, as part of the 2022–23 Budget, the Australian Government announced it will extend the patent box regime to cover certain low emissions technologies and activities in the agricultural sectors. These measures are not yet law.

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Related page

- [Budget Paper No.2²⁷](#) – Budget 2022–3 website

When the patent box measure apply

The Australian Government will provide concessional tax treatment for:

- corporate taxpayers who commercialise their eligible payments linked to agricultural and veterinary (ag vet) chemical products listed on either the
 - Australian Pesticides and Veterinary Medicines Authority (APVMA)
 - PubCRIS (Public Chemical Registration Information System) register, or
 - eligible Plant Breeder's Rights (PBRs)
- corporate taxpayers who commercialise their patented technologies which have the potential to lower emissions. Patents relating to low emissions technology will be within scope where the patented technology is considered to reduce emissions either
 - as set out in the 140 technology areas listed in the Australian Government's *2020 Technology and Investment Roadmap Discussion Paper*, or
 - included as priority technologies in the Government's 2021 and future annual Low Emissions Technology Statements.

Concessional tax rate

Eligible corporate income will be subject to an effective income tax rate of 17%, for:

- patents granted after 29 March 2022, and
- income years starting on or after 1 July 2023.

Eligible income will be taxed at the concessional tax rate where the research and development of the innovation took place in Australia.

Innovations and reducing emissions

These measures aim to support practical, technology-focused innovations in the Australian agriculture sector.

They also support the Australian Government's technology-focused approach to reducing emissions in line with the target to achieve net zero emissions by 2050.

The government will consult with industry before settling the detailed design of the patent box expansion to the new segments.

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