



Research Seminar Series in Economic Sciences, 2025 – 2026

Speaker: [Professor Yannis Tsalavoutas](#), *Professor (Accounting & Finance), University of Glasgow*



Title: "R&D tax credits and R&D investment efficiency"

Date & Time: Wednesday, December 17th, 2025, 14:00 - 15:30

Place: Grypario Megaro (Sofokleous 1) | 4th floor | Lecture Hall "Kosmas Psychopedis" (416)

Live streaming of the event: <https://delos.uoa.gr/opendelos/search-live>

Url: https://www.econ.uoa.gr/ereynitika_seminaria_research_seminars/

Abstract:

We examine the effect of country-level research and development (R&D) tax credits on optimal levels of firm-level R&D investments. We use a sample of R&D active firms from 22 countries and find that such credits promote optimal levels of R&D investment and particularly reduce overinvestment. Thus, we provide novel evidence that R&D tax credits do serve the purpose intended by regulators. Further, we find that our findings hold for firms with higher information asymmetry indicating that R&D tax credits are indeed more valuable for efficient investing when needed the most, that is when information asymmetry which drives inefficient investment is higher. Additionally, we show that our findings hold only for firms headquartered in countries with strong tax enforcement indicating that tax credits incentivize managers towards optimal R&D investment only in the presence of tax enforcement. Finally, we find that R&D tax credits strengthen the positive association between R&D investment and firms' accounting and market performance, and this finding is driven by those firms that overinvest. This evidence indicates that R&D investing incentivized by tax credits positively reflects future profitability and this positive outcome is also reflected on market appraisal. Our study makes significant contributions to both the tax and corporate finance strands of the literature, and its findings raise important policy implications.

Organizers: Dimitris Kenourgios, *Professor*
George Dotsis, *Professor*
Frago Kourandi, *Assoc. Professor*

Thank you.

