



RESEARCH & DEVELOPMENT TAX CREDITS

The Research and Development (R&D) Tax Credit was enacted in 1981 and has been renewed several times throughout the years until 2016 when it was made permanent. The R&D credit allows companies, large and small, to claim a dollar for dollar reduction of tax liability for qualifying research expenditures. The research expenditures are identified by analyzing the company’s potential qualifying wages, supply and contractor costs through the course of an R&D project. Taxpayers can claim the credits back three years and carry forward unused credits for twenty years. Additionally, small businesses with less than 50 million in Gross Receipts can offset Alternative Minimum Tax (AMT) with R&D tax credits.

WHAT INDUSTRIES QUALIFY?

When people think of R&D, they think of lab coats and test tubes. However, when it comes to the tax code, the definition of what can qualify as R&D is more expansive and includes, but is not limited to, industries such as the following:

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|----------------------|--------------------|---------------------|
| MANUFACTURING | ENERGY | ARCHITECTURE |
| FOOD/BEVERAGE | MEDICAL | ENGINEERING |
| TECH/SOFTWARE | AGRICULTURE | CONSTRUCTION |

THE STUDY PROCESS

Our process is divided into three phases that include Assessment, Implementation and Reporting. The phases are outlined in more detail below.

PHASE 1 - During the Assessment Phase, we gather high level financial information and evaluate your company’s R&D activities and potential costs to provide an estimate of tax credits. If the client decides not to move forward with the study, we terminate our agreement at no cost to your company.

PHASE 2 - During the Implementation Phase, we conduct in-depth interviews with technical personnel to qualify individual projects and employee activities spent working on projects to arrive at a final tax credit calculation.

PHASE 3 - During the Reporting Phase, we document your company’s R&D activities and employee involvement in a final bound report, including applicable statutory and regulatory information regarding your study.



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