

# Here are the best industries for the R&D Tax Credit (and why)

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## Top Industries for R&D Tax Credits

### 1. Manufacturing (THE #1 OPPORTUNITY)

Why it's great:

- Constant process improvement
- Product redesigns and cost reduction efforts
- Automation and efficiency upgrades

Examples:

- Improving production lines
- Developing new materials or components
- Reducing waste or cycle time

 Manufacturing accounts for a **huge portion of all R&D credits claimed**

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### 2. Software & Technology

Why it's great:

- Built on experimentation and technical problem-solving
- Almost everything involves uncertainty (code, integrations, scalability)

Examples:

- Building custom platforms or apps
- API integrations
- AI, SaaS, fintech development

 Even **internal-use software can qualify** if technical challenges exist

### 3. Engineering & Architecture

#### Why it's great:

- Every project is unique
- Requires technical design decisions and testing

#### Examples:

- Structural design alternatives
- HVAC, electrical, or system innovation
- Site-specific engineering challenges

👉 These firms regularly qualify due to **design iteration and technical evaluation**

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### 4. Construction (Highly Underrated)

#### Why it's great:

- Tons of “hidden R&D”
- Constant problem-solving in the field

#### Examples:

- New building methods
- Value engineering
- Solving site constraints or material challenges

👉 Often overlooked, but qualifies when solving **technical construction challenges**

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### 5. Food & Beverage / Restaurants

#### Why it's great (and surprising):

- Recipe and process experimentation
- Shelf-life and consistency improvements

#### Examples:

- New menu development

- Kitchen process optimization
- Packaging and preservation methods

👉 Even restaurants can qualify through **experimentation and testing**

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## 6. Agriculture & Farming (Big Opportunity for You)

**Why it's great:**

- Constant experimentation with nature and variables

**Examples:**

- Crop yield optimization
- Irrigation systems
- Soil and feed improvements

👉 Activities like testing methods and improving yields qualify

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## 7. Healthcare, Medical Devices & Pharma

**Why it's great:**

- Heavy scientific testing and compliance requirements

**Examples:**

- Device development
- Drug formulation
- Clinical testing and improvements

👉 Classic R&D—high-dollar claims due to complexity

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## 8. E-commerce, Logistics & Operations

**Why it's growing:**

- Focus on efficiency and systems innovation

## Examples:

- Warehouse automation
- Routing algorithms
- Inventory optimization systems

👉 Process improvement = strong qualification potential

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## The MOST Overlooked (Big Opportunity for You)

These are gold mines because competitors aren't talking to them:

- Restaurants & hospitality
- Construction companies
- Farms & ranches
- Service businesses with custom processes
- Small manufacturers

👉 Many service businesses qualify through **custom tools, systems, and technical problem-solving**

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## Simple Way to Identify a Great Prospect

Instead of focusing on industry, ask:

“Does this business regularly try to improve something where the outcome isn't obvious?”

If YES → strong R&D candidate.

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## Bottom Line

**Best industries = those that:**

- Solve technical problems

- Experiment (trial & error)
- Improve products or processes
- Use engineering, science, or software

👉 The biggest wins often come from **industries that don't realize they qualify**, not the obvious ones.