

Executive Summary

- Generally, a Federal tax credit of 13% of Qualified Research Expenses over a base amount.
- Can take the tax credit for all open years – generally, the last 3 years plus the current year.
- Tax credits not refunded immediately, can be carried-forward for 20 years.
- Recent tax regulations are taxpayer friendly and bring additional benefits.
- State tax credits may also be available.
- A Company involved in the following activities may qualify for the R&D tax credit:
 - Manufacture products
 - Develop new, improved, or more reliable products/processes/formulas
 - Develop prototypes or models (including computer generated models)
 - Design tools, jigs, molds, and dies
 - Develop or apply for patents
 - Perform certification testing
 - Conduct testing of new concepts and technology
 - Development of new technology
 - Attempt the use of new materials
 - Add new equipment
 - Perform environmental testing
 - Develop, implement or upgrade systems and/or software
 - Develop production control software
 - Improve or build new manufacturing facilities
 - Automate/streamline internal processes
 - Expend resources on outside consultants/contractors to do any of the above stated Activities
- Eligible costs:
 - Form W-2 wages involved in the qualified R&D activity
 - Supplies consumed in the qualified R&D activity, including costs to manufacture prototypes
 - 65% of contract research, for outside consultants etc.
- C&G is affiliated with a National Firm that specializes in preparing R&D tax credit studies.
 - The extensive R&D report is designed and organized to allow a clear audit trail for the IRS
 - Representation through the Appellate Conference with respect to any challenge by the IRS
- Success based fee arrangement for performance of the R&D tax credit study is 35% of the calculated R&D tax credit due upon completion of the study

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Plan. Execute. Measure.