

Research & Development Tax Credits

Thinking Beyond the Tech World

Legislation has substantially broadened the number of taxpayers eligible to benefit from the Research & Development (R&D) Tax Credit. Companies engaged in development, improvement or refinement of products, processes, formulas, and computer software may qualify.

What is the R&D Tax Credit?

The R&D Tax Credit is a federal tax incentive (also available in many states) designed to promote innovation. It allows companies to receive tax credits for expenses incurred for research and development, thereby lowering their tax obligation and increasing funds for future innovation.

Primarily a labor based incentive, the R&D Tax Credit applies to activities undertaken to develop new, improved and more reliable products, processes and formulas such as:

- › Developing or testing new products or materials
- › Developing new or enhanced formulations
- › Testing new concepts
- › Improving existing products
- › Trial and error experimentation
- › Designing tools, jigs, molds and dies
- › Design and analysis of prototypes or models
- › Developing or improving production or manufacturing processes
- › Developing, implementing or upgrading systems/software
- › Paying outside consultants/contractors to perform any of these activities
- › And more...

Why Now and Not Before?

The R&D Tax Credit is an overlooked and misunderstood tax benefit that most taxpayers and many tax preparers associate only with technology, biotechnology and pharmaceutical companies.

Regulations made final in December 2003, substantially broadened the number of eligible taxpayers benefiting from the credit. Based on this guidance, qualified activities no longer need to result in new technological knowledge; they only need to involve the use of technological principles to develop new or improved products, processes, software, etc. As a result, more companies than ever before can take advantage of these benefits.

Qualifying Industries:

- › Aerospace
- › Agriculture
- › Automotive
- › Chemicals
- › Electronics
- › Engineering
- › Food Science
- › Forestry
- › General Manufacturing
- › Hardware Development
- › Pharmaceuticals
- › Semiconductors
- › Software Development
- › Telecommunications
- › And more...

Get More Information

A free preliminary analysis can give you an idea of how the R&D Tax Credit can benefit your company. Contact us today for an Estimated Benefit and fee quote.

About KBKG

KBKG is a national firm specializing in R&D Tax Credits, Cost Segregation, Enterprise Zone Tax Credits, and Energy Efficient Commercial Building Deductions. Our engineers and tax experts have performed thousands of tax projects resulting in hundreds of millions of dollars in benefits for our clients since 1999.

As leading educators in our field, we have been invited to speak to thousands of CPAs and Tax Professionals by some of the most prominent associations in the industry.

Our goal is to bring value to our clients by providing quality service, building long-term relationships, and ensuring a high standard of professional ethics.