

## **Research and Development Tax Credits** **Many Businesses Don't Know They Qualify for the Credits**

Most businesses heavily invest into product or process improvement simply to meet market demand. Many of these businesses are not aware that tax code changes allow them to recover money spent on daily activities.

By recapturing a percentage of those dollars and reinvesting them back into your business, the R&D Tax Credit is designed to help you stay competitive.

In addition to the tax deduction for R&D expenses, the tax credit is an actual dollar-for-dollar reduction against taxes currently owed and taxes previously paid. This means that the IRS will send your business a refund check for taxes paid on qualifying activities.

### **WHO QUALIFIES FOR THE CREDIT?**

A Company Qualifies When One or More of These Criteria Are Met:

- Fights to survive international and domestic competition.
- Invests time, money or resources to advance or improve their products or processes.
- Manufactures products.
- Maintains a staff of technical personnel such as engineers, designers, labs, chemists.
- Invests in continuous improvement projects.
- Implements cost reduction initiatives.
- Attempts to use new materials.
- Adds new equipment.
- Develops prototypes, jigs, fixtures and molds.
- Automates or streamlines internal processes.
- Develops new technologies.
- Performs testing functions.
- Develops, implements or upgrades systems or software.
- Develops proprietary software applications for resale.
- Develop or apply to obtain patents.
- Spends money on outside consultants to do any of these things.

### **SOME EXAMPLES OF THE BENEFITS OF R&D TAX CREDIT STUDIES**

<u>Industry Type</u>	<u>Gross Sales</u>	<u>Multi-Year Benefits Rec'd</u>
Printing press remanufacturer	\$ 30,000,000	\$ 225,000
Precision rubber mold/design/manufacturing	\$ 7,000,000	\$ 388,000
Spring Manufacturer	\$ 3,000,000	\$ 134,000
Custom Plastic Injection Mold	\$ 15,500,000	\$ 117,000

If you think you may have some activities that qualify, please contact:

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