

Research & Development Tax Credit



Benefits of the R&D Tax Credit

- 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 three 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.

Chortek is affiliated with a national firm that specializes in preparing R&D tax credit studies. The extensive R&D report that is created is designed and organized to provide support for the tax credit claimed.

For More Information

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Chortek is a leading professional services firm with deep industry expertise delivering accounting, auditing and tax compliance services coupled with value-driven technology solutions and , tailored M&A offerings.

Chortek advises business leaders and individuals on innovative ways to protect assets and enhance efficiencies through a consistent, client-centric experience.

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Chortek is affiliated with a national firm that specializes in preparing Research & Development tax credit studies. The extensive R&D report that is created is designed and organized to allow a clear audit trail for the IRS. Representation is also available 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.