

Research & Development Tax Incentives

R&D tax credit provides permanent benefits to drive down effective tax rates and generate cash flow

Federal and state incentives are available to companies that invest in developing new products or improving existing products, developing new materials, building and testing prototypes and models, developing new or improved software applications, testing new concepts, experimentation and more.

R&D costs can be leveraged. The extension of the R&D Tax Credit and the new Expanded Alternative Simplified Tax Credit (ASC) offer substantial benefits.

Companies engaged in these activities may be eligible to retroactively claim the R&D Tax Credit, obtain significant cash refunds, and establish a process to continue claiming these credits in future years. Contact us today and schedule a free R&D Tax Credit analysis.

R&D Credit Benefits

- Immediate source of cash
- Reduction in current-year tax
- Source of permanent tax savings and financial statement benefits
- Increase in market value, cash flow, and company ROI
- Carry back and forward of unutilized credits of one year and 20 years, respectively
- For all open tax periods



GRASSI & CO.
CPAs & SUCCESS CONSULTANTS™

Empowering our clients by maximizing their benefits.

Empowering our clients by maximizing their benefits.

R&D Tax Credit:

You don't have to be in aerospace technology development or new software development to take advantage of the Research and Development Tax Credit (R&D).

A common misconception is that the R&D Tax Credit only applies to traditional manufacturers involved in new product development or high tech businesses. While these industry segments qualify, so do other industries who engage in:

- Process improvements and development
- Improvements in function, reliability and quality to existing products
- Research and specification design
- Developing and/or improving new products, processes, formulas, software, techniques
- Creating more reliable products, processes, formulas, software, techniques
- Developing prototypes or models
- Designing dies, molds, tools and jigs
- Applying for patents
- Testing new concepts, new technology, or sourcing for new raw materials
- Improving existing or building new facilities
- Employing consultants/contractors to perform these activities

Companies that perform any of the above activities may significantly increase their cash flow by taking full advantage of the R&D Tax Credit.

Performing the R&D Tax Credit and initiating the recovery can be very complex and requires specialized knowledge and expertise. Our expertise in the federal and selected state's R&D Tax Credits rules, criteria, code and regulations enables us to maximize the full potential of the credit.

Industries That Can Benefit:

- Food Service Industry • Consumer Products
- Chemical and Pharmaceutical Industries • Steel Processing (Rolled)
- Aluminum Processing • Iron/Aluminum/Zinc Die Casting
- Packaging (Corrugated, Plastic, Film) • Powdered Metals
- Primary Metal Bending/Cutting Industries • Automotive Related
- Plastic Injection Molding • Metal Stamping
- Custom Machine Building • Furniture
- Tool and Die • Software/Software Developers
- Winery • Service Industries—Financial Institutions
- Professional, scientific, and technical services: architectural, engineering, computer systems design, scientific R&D services

Examples of R&D Benefits:

Industry Type	Gross Sales	Cash Benefit
Plastic Blow Molder	\$49,000,000	\$283,000
Metal Fabrication	\$42,000,000	\$704,000
Plastic Consumer Products	\$20,000,000	\$184,000
Equipment Mfg	\$24,000,000	\$356,000
Instrument Mfg	\$8,000,000	\$156,000
Consumer Products Mfg	\$16,000,000	\$136,000

Our R&D Team:

- Free initial estimates
- Providing specialized tax services since 1983
- Engineering-based studies
- Maximized and quantified benefit
- Fixed-fee billing
- We have successfully implemented process controls and data security measures that meet the following standards: Sarbanes-Oxley Act of 2002, Gramm-Leach-Bliley Act of 1999, Health Insurance Portability and Accountability Act of 1996 (HIPPA)
- Successfully defended work before the IRS
- Non-CPA firm

We offer complimentary, no obligation analysis during the Pre-Engagement phase. During this initial assessment, our goal is to determine if there are any activities conducted by the company that qualify as research and development as defined by the Internal Revenue Code.

After we have determined that certain activities do qualify, we provide a realistic tax credit estimate.

Using the R&D Tax Credit can result in "found money" for businesses, allowing investment in further research and development or other business growth activities. Contact us today for an initial and free R&D Tax Credit analysis.



GRASSI & CO.

CPAs & SUCCESS CONSULTANTS™

Robert E. Grote, CPA, Partner
Manufacturing & Distribution
Niche Practice Leader
rgrote@grassicpas.com
516.336.2468

50 Jericho Quadrangle
Jericho, NY 11753
grassicpas.com