

# THE MILLER GROUP.

Resource Information Xchange, llc

Federal and State Tax Specialists

## Research and Development Tax Incentives in the Consumer Products Industry.

*Is your company fully aware of the opportunities that are waiting to be claimed through the Research and Development Tax Incentives?*



- Every successful company is eligible for the Research Tax Credit of some amount. This is especially true for companies with increasing revenue and expanding markets.
- Many common business innovations meet the qualifications standards of IRC § 41 and are eligible for the Research Tax Credit. Creating new products, developing processes, implementing new improved manufacturing methods and writing software for internal use are just a few of the expenses that would qualify for the R&D Tax Credit.
- Federal tax credits provide permanent benefits to drive down tax rates & generate cash flow. You may also be eligible for state and global incentives, depending on where activities are being performed.
- It is essential that companies examine their Research Tax Credit potential as soon as possible to avoid losing dollars from previous tax years.
- Valuable Planning Opportunities exist that maximize the R&D Tax Credit potential in the future. The Miller Group's Research Tax Credit Specialists are here to provide the help you need.

CALL THE MILLER GROUP TODAY FOR A FREE CONSULTATION AT 206.855.1700

# Research and Development Tax Incentives for the Consumer Products Industry.

**Your Opportunity:** Research and development (R&D) is the driver behind new products, tastes, & product lines, as well as new and improved manufacturing processes. Additionally, innovative software development often provides new connections to consumers, suppliers, and contractors. Have you fully considered whether the costs for designing and developing new or improved products, packaging, production processes, and software qualify for the research credit? In light of the wide range of departments involved in new product development and manufacturing process improvements, it is difficult to accurately allocate the time spent by employees and contractors on qualified research activities. This task can be challenging, especially as your manufacturing operations become more global and it becomes increasingly difficult to distinguish qualified R&D activities that take place in the United States.

Examples of initiatives that may be eligible for R&D tax incentives include:

- Developing and/or implementing new manufacturing technology to increase product quality or reduce cost, waste, scrap, spoilage or defects
- Using computers or digital technology to automate or support tasks that previously had been manual, including product testing
- Creating new instances of cellular manufacturing
- Designing specialized tools or prototype tooling and machines
- Using specialized machinery or fixtures
- Developing innovative software to interface with consumers, suppliers, and contractors
- Developing a new way to bring better/easier/convenient ways to use products on a day-to-day basis

Determining the true cost of R&D is often difficult because few companies have a project accounting system that captures many of the costs for support provided by various personnel who collaborate on R&D. The typical project tracking system would not include all contractor fees, director support & salaried personnel who participate in the research.

For example, personnel on new product launch teams who participate in specifying in prototype development and testing may include marketing, regulatory affairs, product safety and evaluation, microbiology, clinical supplies, chemistry management, packaging technology, manufacturing, instrumentation, and even sales.

**The Miller Group Approach:** The Miller Group is exclusively dedicated to R&D tax issues and specialize in particular industries, including consumer products. Our focus provides us with an unusual depth of experience. We also work in an efficient and nonintrusive manner so that you can stay focused on business.

**R&D Tax Credit Projects:** Introductory tax credit potential analysis studies may be performed, but are often unnecessary. In a full project, The Miller Group performs extensive field work, collect supporting records and create comprehensive documentation to support maximum, durable tax filings. We provide support under review by IRS or State tax authorities.

Our goal is to provide the maximum allowable tax credits with the minimum impact on critical day to day operations. Our approach establishes a process that your tax function can replicate and use to reduce future tax compliance costs and burden (see RIX Technology).

**We Offer:** Extensive experience providing services to privately owned companies as well as Fortune 500 companies.

Deep technical knowledge in this complex area. RIX Technology. A proprietary (patent pending) software product for tax credit documentation approved by the IRS.

Please call us for a free consultation at 206.855.1700.

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