

# The Miller Group.

## Resource Information Xchange, llc

Federal and State Tax Specialists

## Research & Development Tax Incentives for the Financial Industry.

*Is your company fully aware of the opportunities that are waiting to be claimed through the Research & 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 R&D Tax Credit. Creating new and improved products, developing processes, implementing new manufacturing methods and writing software for internal use are a few of the expenses that would qualify for the R&D Tax Credit.
- Federal tax incentives and or credits provide permanent benefits to drive down tax rates and generate cash flow. You may also be entitled to state and global incentives, depending on where activities are performed.
- It is essential that companies examine their R&D Tax Credits potential as soon as possible to avoid losing dollars from previous tax years.
- In our experience there are still too many company taxation departments that have not considered the manufacturing process advances. By themselves, finance departments do not contain the scientific or technical skills necessary to identify all the eligible activities.
- Significant Planning Opportunities exist that maximize the Research Tax Credit potential in the future. The Miller Group's R&D Tax 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 Financial Industry.

**Your Opportunity:** Financial services providers are increasing their research and development (R&D) spend on technology, not only to respond to competitive pressures but also legislative and regulatory ones. Investments include software & technology development to address strategic business imperatives, such as the urgent need to deploy sophisticated on-demand services for customers and comply with constantly changing regulatory requirements.

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

- Difficult and challenging Intranet and Internet software development where scale and complexity of design present serious technological challenges
- Enterprise architecture integration to supplant multiple disparate architectures and consolidate technology behind multiple business lines
- Next-generation architectures and new protocols for process logic, data design, & data logic intended to create a new approach for institutional infrastructure reuse
- Significant advances in calculation engines, artificial intelligence, predictive modeling, complex algorithms, and statistical analysis
- Technologically innovative data warehousing techniques, including next generation service-bus middleware architecture for business intelligence
- Software development intended to leverage CRM, involving predictive analytics for fraud detection and customer lifetime management
- Innovative storage and retrieval techniques to address prohibitive transactional volume limits within severe time constraints

Other activities that may qualify include software development related to compliance with regulatory requirements in the United States and other countries, including the USA Patriot Act, The Check Clearing for the 21st Century Act, Basel II, and many others. These regulations have compelled financial institutions to develop sophisticated capabilities in customer relationship management, check imaging, risk management, and other key areas.

Financial services institutions should be aware of global and state R&D tax incentives as well as federal ones and how they may differ.

For example, U.S. regulations require that R&D occur within the U.S. borders to qualify for the R&D credit; other countries, including the UK and Japan, do not. Depending upon the funding source of the research, there may be multiple opportunities for benefits relating to the same development initiative.

In addition to direct research activities, peripheral costs may be eligible for R&D tax credit, such as the salaries of those involved in supervision and direct support of the software development lifecycle. Such people may include, but are not limited to, those involved in design, configuration, and testing, such as software developers, business analysts, and traders, among others.

**The Miller Group Approach:** The Miller Group is exclusively dedicated to R&D tax issues and specialize in particular industries, including the financial industry. 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.