

# The Miller Group.

## Resource Information Xchange, llc

Federal and State Tax Specialists

## Research & Development Tax Incentives for the Manufacturing & Production 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 Manufacturing & Production Industry.

**Your Opportunity:** Many manufacturing/plastics engineers and managers may have heard of R&D incentives, many consider that they only apply to scientific research. Of those that do identify their work as eligible, in our experience, few will have had dialogue with the company tax department and thus the potential benefit to the company is often overlooked because of poor intra-company communication.

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

- Increases the overall knowledge or capabilities and where the information on how to do this was not in the public domain;
- Creates or appreciably improves a process, material, device, product or service; and duplicates an existing process, material, etc but in a new or appreciably improved way.
- Attempts to achieve desired geometry at the limit of the materials formability.
- Attempts to achieve a UV stable material with the required texture which would also be moisture resistant.
- Development of a formed material, part of which would meet the required form while achieving deformation requirements under impact and conforming to manufacturing process constraints.

A significant number of prototypes and eligible consumable materials were also associated with these development areas. Staff costs (including employer's NI and pension costs), expenditure on software and consumable items and certain subcontract expenses.

Many organizations would correctly consider that development of a composite material with a temperature rating of 100°K higher than existing materials would be eligible. However, they may miss out on the qualifying cost of the innovative development required in the moldings machinery in order that the same material can be utilized in a new product.

In a small, integrated department this may seem a fairly straightforward extension to the material development. But it may be less obvious if the machinery innovation is occurring in a different division or if the equipment developer is an unconnected organization which may be able to claim in its own right.

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