

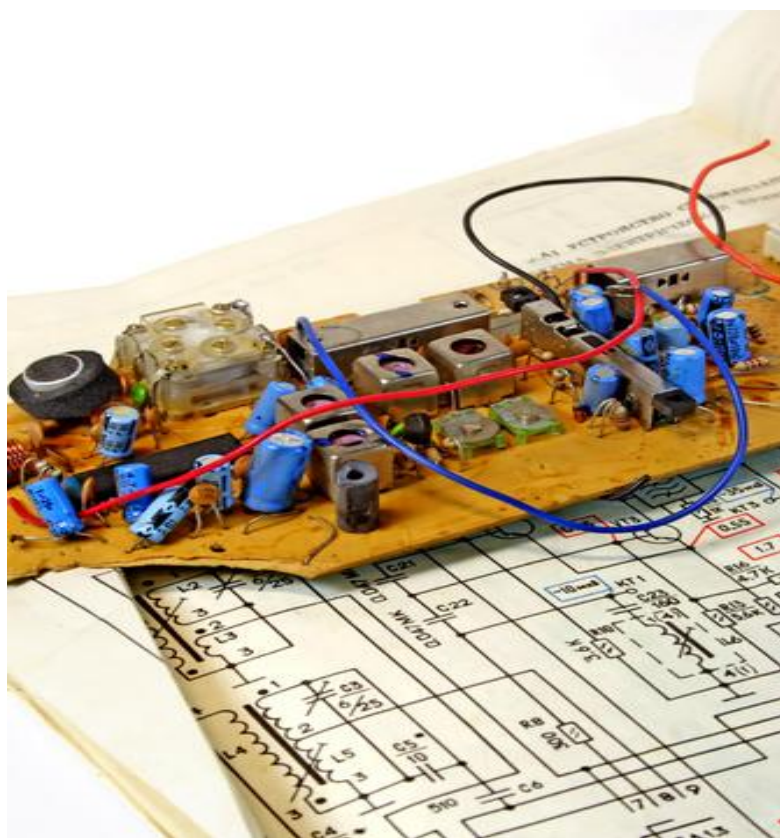
THE MILLER GROUP.

Resource Information Xchange, llc

Federal and State Tax Specialists

Research and Development Tax Incentives for the Semiconductor 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 smaller companies with ever-increasing revenue and expanding markets.
- Many common business innovations meet the qualification standards of the IRC § 41 and are eligible for the Research Tax Credit. Creating new and improved products, developing new processes, implementing new manufacturing systems and writing software for internal use are just some of the expenses that qualify for the Research Tax Credit.
- Federal tax credits provide permanent benefits to drive down tax rates & 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 Research Tax Credits potential as soon as possible to avoid losing dollars from previous tax years.
- 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 Semiconductor Industry.

Your Opportunity:

Research and development (R&D) continues to drive the expanding market for semiconductor products in consumer electronics and most other industries.

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

- Product development in wireless, networking, MEMS, RFID, memory & other markets
- Process development and integration including advanced lithography, copper interconnects, low-k dielectrics, metal gates, etc.
- 300mm process development and conversion
- Yield enhancement
- System on chip (SOC)
- Packaging and assembly advancements, including SOC, flip chip, 3D packaging, HDI, and lead free
- Silicon on insulator substrate improvements
- Device density improvements
- Design for test
- Factory automation and advanced process control (APC) systems
- Environmental, health and safety improvements

Identifying and qualifying activities for the R&D tax credit, however, has become extremely complex. For example, designing various system components typically masked on a silicon wafer for chips can occur throughout your global operation, yet only the research activities occurring in the United States qualify for the credit. Additionally, determining qualified supply costs for producing prototype masks in wafer sets is difficult because the law in this area is unsettled.

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

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, micro-biology, 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 semiconductor 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.