Take Control Of Your Company’s Future: The R&D Tax Credit

Dean Zerbe, alliantgroup National Managing Director and former Senior Counsel to the Senate Finance Committee

The manufacturing industry remains in a constant race to improve their products, as well as the process of making their products — all while dealing with tight budgets and low profit margins. These twin efforts push innovation to the forefront, in particular, applying innovation to the task at hand via research and development (R&D). Happily, the tax code rewards manufacturers who are engaged in these efforts to stay competitive with the R&D tax credit. Unhappily, far too many manufacturing companies, especially the small- and medium-sized, are failing to take advantage of the R&D tax credit.

The benefits of the R&D tax credit can be significant for the bottom line. For example, alliantgroup recently helped a specialty sheet metal company with annual revenue of $4 million receive over $70,000 in federal R&D tax credits and $91,000 in state credits for the testing and implementation of a new metal stamping process. Another manufacturer of precision tools with annual sales of $12.7 million acquired $281,000 in combined state and federal R&D credits for their efforts toward the testing and improvement of new modeling procedures.

The R&D tax credit is a lucrative government-endorsed incentive that many manufacturers are failing to utilize, either from lack of information or self-censorship (assuming their activities wouldn’t qualify). If your firm is in any way developing new or improved features or functionality through a development process, you

should be taking advantage of the major tax benefits offered through this credit.

[Continue Reading... [1]]

Source URL (retrieved on *07/24/2014 - 11:59am*):
http://www.chem.info/articles/2013/08/take-control-your-company%E2%80%99s-future-r-d-tax-credit

Links:
[1] http://www.manufacturing.net/articles/2013/06/take-control-of-your-company%E2%80%99s-future-the-r%26d-tax-credit