



Federal Income Tax

RYAN'S EXPERIENCED FEDERAL INCOME TAX PROFESSIONALS
MINIMIZE CORPORATE TAX RISK AND LIABILITIES THROUGH
A COMPREHENSIVE SUITE OF SERVICES THAT PROVIDES
SIGNIFICANT CLIENT VALUE AND RESULTS.

Federal Income Tax Practice Overview

Ryan's Federal Income Tax practice assists clients with solutions that blend the right ideas, people, processes, and technology needed to efficiently and effectively minimize, manage, defend, and control federal income tax liabilities. Our Federal Income Tax services are customized to meet the unique needs of each corporate tax client by leveraging proven methodologies that deliver substantial savings. Our innovative approach to tax consulting and advisory services is unmatched in the industry today.

Federal Income Tax Planning

Chief Financial Officers expect the tax department to deliver the lowest possible tax liability allowed by law. While the utilization of tax-related transactions only increases complexity and costly risks in the tax-planning arena, Ryan's Federal Income Tax planners pursue innovative and unique solutions.

Our global tax-planning and tax return review methodologies provide risk-free approaches for our clients. Our in-depth knowledge of tax code across all industries translates to optimal cash flow for our clients. From research and experimentation (R&E) credit studies, to Domestic Production Activities Deduction (DPAD) Internal Revenue Service (IRS) Code Section 199, to meals and entertainment studies, to accounting method reviews and/or change implementations, Ryan examines every complex opportunity to uncover often overlooked tax savings.

Research and Experimentation (R&E) Tax Credits

Taking full advantage of the R&E tax credit provides permanent cash tax savings to qualified companies. As opposed to research and development (R&D) deductions, R&E tax credits are actual dollar-for-dollar federal and state credits, available to businesses of any size involved in R&E activities. Many companies are not aware of the broad scope of activities that qualify for these credits. Evolving statutes, IRS regulations, and court cases continue to create R&E tax credit opportunities for an ever-widening range of qualified businesses.

The numbers are substantial. R&E tax credits in excess of \$9 billion are claimed annually at the federal level alone. Businesses taking full advantage of these credits can recapture up to 20% of increased R&D expenditures. Often, there are additional opportunities to claim credits in years where the statute of limitations are open and obtain significant cash refunds or offset other defined withholdings. Even in circumstances where a client is generating operating losses and cannot currently take advantage of the R&E tax credit at the federal level, the state credit is often still applicable and beneficial. Some states offer refundable credits or other ways to monetize the credit (for example against payroll withholding).

Ryan helps clients navigate the complexities and mitigate the risks of the R&E tax credit, enabling businesses to remain innovative and profitable. With efficient and thorough methodologies that gather in-depth information with minimal disruption to our clients, Ryan accurately executes the three-phase credit process from start to finish at the federal and state levels. We develop and document nexus between qualified activities and costs, even where no accounting exists. We also stratify qualified research expenses (QREs) by risk, so clients can determine their individual risk tolerance.





Fixed Asset and Repair Deduction Reviews

Proper management and classification of fixed assets are critical to an organization's tax management and compliance objectives. Improper capitalization of fixed assets can have a substantial negative impact on an organization's balance sheet, resulting in missed tax savings and added compliance risks.

Ryan's Fixed Asset Review service provides a comprehensive analysis of fixed assets to determine current asset classifications, ascertain depreciation reported in prior tax returns, and identify potential asset reclassification to ensure every appropriate tax deduction available is claimed.

Cost Segregation Services

Ryan has a proven history of success identifying and securing substantial tax savings through cost segregation studies. Ryan's Cost Segregation specialists identify and properly classify assets such as new construction or recent acquisitions. Our results are unmatched; we are typically able to reclassify up to 40% of our clients' assets to business personal property.

Meals and Entertainment Review

The 50% disallowance of the deduction for meals and entertainment (M&E) expenditures represents a significant, recurring permanent increase in taxable income. Often, companies inadvertently subject fully deductible M&E accounts to the 50% disallowance, resulting in a higher effective tax rate.

Ryan's M&E review is designed to quickly understand a company's policies and procedures for M&E tax accounting, and to calculate and document the correct amount of non-deductible M&E in the current and prior tax periods. If the size of the data set warrants it, we utilize IRS standard statistical sampling methods to aid in determining the non-deductible M&E. The benefits achieved may include considerable refunds of prior years' taxes and ongoing permanent tax savings, while providing improvements to our clients' processes and procedures to appropriately segregate fully deductible expenditures from otherwise partially deductible M&E costs.

Tax Account Analysis Review Program (TAARP)

Ryan TAARP—our proprietary tax account analysis review program—delivers incredible value and results related to conceptual issues involving interest law, statutes of limitations, claims for refunds, global interest netting, IRS transcription comprehension, and other IRS practice and procedure matters. Our value proposition is simple. We leverage our in-depth knowledge of foundational principles and cutting-edge legal and technical expertise to maximize recoveries, which enhance the effectiveness of our clients' tax departments.

Ryan's distinguished TAARP team includes former IRS attorneys and interest analysts who offer unparalleled expertise in securing interest refunds from the IRS and state tax authorities and resolving other tax account-related issues. We have served as expert witnesses, providing technical support in many of the most seminal court cases in this arena, and have testified in front of the United States Congress, IRS, and U.S. Department of the Treasury.

IRS Audit Support

Ryan understands the importance of risk mitigation in today's tax environment and offers support for IRS audit readiness and the IRS examination process. Our IRS Audit Readiness services assess audit risks, evaluate tax positions taken on returns, identify and document Internal Revenue Code (IRC) Section 6662(e) voluntary adjustment submissions, file amended returns, and work with the IRS on developing a joint examination plan.

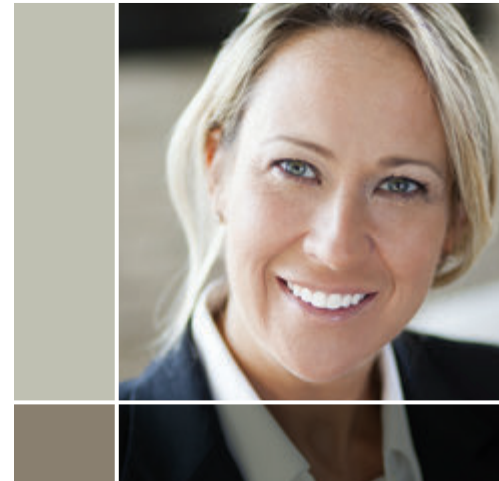
Our IRS Audit Support services help clients plan and manage an ongoing examination, helping clarify and resolve audit issues. We assist from the opening conference to responding and tracking Information Document Requests. We make strategic recommendations and help implement various alternative resolutions. Ryan serves as a complete client advocate all the way through to the closing examination conference. Additionally, Ryan's Federal Income Tax practitioners have significant IRS appeals experience and assist in every phase of a tax controversy, from meeting with IRS and Treasury officials to negotiating on behalf of a client in appeals.

Tax Accounting

Ryan's diligent approach to tax accounting delivers strategic solutions that enable our clients to proactively manage their overall federal income tax positions. Ryan professionals include former Fortune 100 tax executives who have designed and managed corporate tax accounting matters, including Accounting Standards Codification (ASC) 740 and all of the Sarbanes-Oxley processes and controls. Since Ryan is not a certified public accounting (CPA) firm, we are free to consult with tax departments regarding ASC 740 issues and assist with workflow optimization.

To evaluate client risk and enhance processes, Ryan's Tax Accounting service professionals:

- ▶ Determine and review valuation allowances and admissibility of deferred tax assets
- ▶ Assist with tax provisions and tax-basis balance sheets
- ▶ Identify and measure tax risks and Units of Account impacting the organization
- ▶ Design and implement new processes and systems, tax provision software integration, and training in ASC 740 theory and practice





Process and Technology

Process and technology have become critical to a more efficient and effective corporate tax practice. Ryan professionals work with clients to transform their tax function from a mere compliance group to a strategically focused department by implementing critical processes that tap the full potential of new and existing tax technology solutions.

Ryan evaluates and analyzes existing tax compliance and reporting processes, making recommendations that enhance and streamline operations. We work in tandem with our clients to implement best practice solutions while installing the proper quality assurance controls. As a result, tax departments improve efficiency, gain greater control, substantially mitigate risk, and add tremendous strategic and financial value to their organizations.

Captive Insurance Services

A Captive Insurance Company (Captive) is a highly effective risk-management tool for businesses and their owners. A privately owned Captive Insurance Company insures the risks of its related entities by issuing policies, collecting premiums, and paying claims similar to a conventional insurer.

More than 80% of Fortune 500 companies utilize and benefit from Captives. With a Captive, insurance premium dollars are retained within the business enterprise or same “economic family,” thereby increasing investment income on unpaid loss reserves, capital, and surplus. Properly structured, a Captive may also provide substantial federal and state income tax savings.

Ryan has successfully facilitated a substantial number of Captive formations since introducing its Captive Insurance services. Ryan’s team of professionals provides all the administrative, regulatory, strategic, and operational support necessary to create and manage a Captive. Our Captive Feasibility Study assesses client data and business goals to determine viability based on costs and benefits. Leveraging these findings, we assist in the development of a detailed Captive business plan, strategically selecting and implementing the best Captive insurance structure to meet the client’s unique risk management needs.

Federal Income Tax Compliance

Tax return preparation and other compliance services are essential responsibilities in every tax department. Increased regulatory scrutiny makes it more important than ever to determine tax positions as early as possible in the reporting cycle. As a result, companies are forced to spend more time and energy on the compliance process, often at the expense of higher value initiatives.

Ryan's Federal Income Tax Compliance solutions are tailored to fit specific client requirements, whether completing a tax form based on information provided or preparing the entire tax return from start to finish. Our consultants leverage vast expertise in tax technology and project management to provide comprehensive automation solutions and unparalleled quality assurance.

Why Ryan

Ryan's Federal Income Tax practice is comprised of the most experienced tax professionals in the industry dedicated to helping companies minimize their federal income tax burden and achieve optimal financial results. Our proven approach is focused on assisting clients in balancing their daily operations with the ever-changing tax laws, regulations, and increased regulatory scrutiny. Our solutions allow for the effective management of federal income tax liabilities by proactively implementing processes and technologies that ensure greater data accuracy and internal controls.

Client benefits

- ▶ Realistic and real-world customized tax planning that reflects the business and operations of our clients
- ▶ Reviews of prior returns to seek opportunities and establish facts and issues for tax planning
- ▶ Compliance processes and management by experienced corporate tax executives backed by state-of-the-art technology
- ▶ Reallocated staff and leveraged capabilities in credits, tax audits, and tax accounting
- ▶ Mitigated risk and avoidance of ambiguity by obtaining tax opinions



About Ryan

Ryan is an award-winning global tax services firm, with the largest indirect and property tax practices in North America and the sixth largest corporate tax practice in the United States. Headquartered in Dallas, Texas, the Firm provides a comprehensive range of state, local, federal, and international tax advisory and consulting services on a multi-jurisdictional basis, including audit defense, tax recovery, credits and incentives, tax process improvement and automation, tax appeals, tax compliance, and strategic planning. Ryan is a three-time recipient of the International Service Excellence Award from the Customer Service Institute of America (CSIA) for its commitment to world-class client service. Empowered by the dynamic *myRyan* work environment, which is widely recognized as the most innovative in the tax services industry, Ryan's multi-disciplinary team of more than 1,900 professionals and associates serves over 9,000 clients in more than 40 countries, including many of the world's most prominent Global 5000 companies. More information about Ryan can be found at www.ryan.com.



Award-Winning Tax Services

For additional information

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