



Research and Experimentation Tax Credit Services

Continual investments in products, systems, and processes are critical for advancing business growth and expansion in an increasingly global marketplace. The Research and Experimentation (R&E) tax credit, commonly known as the Research and Development tax credit, is a government-sponsored benefit that provides cash incentives for companies investing in research and experimentation in the United States.

Recent tax laws are taxpayer friendly and bring additional benefits, such as making it easier for a broader array of companies to qualify their R&E activities and provide greater flexibility in certain recordkeeping requirements. Ryan helps clients secure federal and state research credits that help offset corporate financial and resource investments and enhance the initiative's overall return on investment.

Each year, more than \$7.5 billion in federal R&E credits are awarded. Businesses that take advantage of the credit can recover up to 6.5% on qualified investments. The R&E tax credit is not a deduction but rather an actual dollar-for-dollar credit against taxes owed for taxes paid. The taxpayer may also be able to expense all such qualifying R&E costs in the year incurred. Additionally, companies that qualify for R&E tax credits may be able to retroactively claim the R&E tax credit for federal and state income tax purposes and obtain significant cash refunds.

Maximizing the R&E Tax Credit Benefits

Securing R&E tax credits is often complex, making it difficult for many companies to take full advantage of credit opportunities. Capturing information and qualifying costs can be very challenging, and the complexities stemming from law changes and multiple extension periods make it increasingly more difficult to accurately calculate and claim R&E tax credits.

Ryan's innovative methodology allows our team to minimize onsite disruptions while properly identifying and substantiating qualified R&E costs by:

- Providing a high-level feasibility and assessment analysis
- Identifying nontraditional sources of qualified R&E
- Developing methodologies to create nexus even if no project accounting exists
- Performing in-depth examination, consisting of quantifying, calculating, and documenting potential credits
- Delivering a detailed R&E study, including a Mandatory Information Document Request response
- Recommending customized strategies to maximize and sustain the credit prospectively
- Offering further clarification and defending the claim as required by the Internal Revenue Service (IRS) or state agencies to substantiate the R&E claim
- Offering alternative fee arrangements for shared risk



Businesses that engage in the following likely qualify for the R&E tax credit:

- Developing new, improved, or more reliable products/formulas
- Developing or improving production or manufacturing processes
- Developing prototypes or models
- Performing technical feasibility analysis
- Performing reliability, certification, or environmental testing
- Using third-party contractors/consultants
- Incurring software development fees

For additional information, please call **800.545.1856** or visit us at **www.ryan.com**.