The R&D Tax Credit

WHAT IS THE TAX CREDIT?
The Research & Development Tax Credit is a broad form of tax relief designed to encourage businesses to innovate by developing or improving a product, process, technique, formula, invention, patent, or software—offering permanent tax savings.

R&D tax credits are available to nearly every industry and are often misunderstood and overlooked during annual tax planning.

DID YOU KNOW?
With both federal and state credits available, a taxpayer can receive approximately 6-10% of their qualified research expenses back in tax credits, resulting in cash refunds and permanent reduction in taxes due.

Federal and most state credits can be carried forward for up to 20 years, or back a year, if unused in the current year.

HOW DO YOU GET IT?
First, you must establish that you are eligible under the “4-Part Test.” Next, your company must assess and document what activities and amounts qualify.

WHO IS ELIGIBLE?
Businesses in nearly every industry that perform any of the following activities:
- Design & Engineering
- Software Development
- Process Development & Improvement
- Product Development & Improvement

WHAT EXPENSES ARE ELIGIBLE?
- Employee Time & Wages
- Third-Party Contractors
- Supplies & Materials

WHY HOWARD & HOWARD?
Our team of tax and patent lawyers, litigators, CPAs, and engineers are experienced in computing and defending the R&D Tax Credit across multiple jurisdictions. We deploy a practical and creative approach to maximize the benefits on behalf of your company and robustly defend the credit when necessary.

Howard & Howard invests time to understand your business activities and objectives to ensure that we develop a methodology aligned with your best interests. As an extension of your team, we are dedicated to delivering exceptional value and client service while minimizing potential risks.

The end result: a deeply skilled, cross-disciplined service team capable of delivering a cost-effective solution that is tailored to your organization’s business operations.