

trusted partners. proven solutions.



Research and Development Tax Credit

Many taxpayers tend to regard Research and Development (R&D) tax credits as an activity associated solely with high tech, biotechnology and manufacturing companies, when in fact, many other day to day company operations qualify. The purpose of R&D tax credits is to reward companies for investments in developing new or improved products, processes, or techniques; developing new technology, and developing and improving upon production/manufacturing processes.

Do You Qualify for the R&D Tax Credit?

- Does your company continually develop and/or build new equipment, products, or processes?
- Does your company customize an existing product line to meet their customers' specifications?
- Does your company employ degreed chemists, engineers, programmers, or scientists? If so, how many?
- Are there additional employees that perform functions of an engineer? If so, how many?
- Does your company charge on a "fixed-price" or "per piece" basis? Or does the company charge on a "time and material" basis?
- Does your company receive Requests for Quote (RFQs) from their customers?
- Does your company employ "technical salespeople"?
- Does your company build prototypes to test?
- Does your company perform virtual prototyping?
- Does your company retain "job files" (drawings, meeting minutes, and test results) from its product development activities?
- Does your company incur costs associated with raw materials, tooling, and fixtures during the product development process?
- Does your company "subcontract" any of its engineering or testing functions?
- Does your company perform any research related to secure federal, state, or industry regulatory approval?

LBMC Tax Services

Business Tax

Individual Tax

Tax Outsourcing

State and Local Tax

Credits and Incentives

Transfer Pricing

Wealth Advisors



Art Van Buren, CPA

Shareholder, Tax
avanburen@lbmc.com
T (615) 309-2292

Chuck Tomlin, CPA

Shareholder, Tax
ctomlin@lbmc.com
T (423) 755-0760

Tom McCormick, CPA

Shareholder, Tax
tmccormick@lbmc.com
T (423) 755-0708