

If your company has spent time, money or other resources to improve a product or production process, you may qualify for the Research and Development (R&D) tax credit. BKD's R&D tax credit consultants **can help you** identify, properly document and calculate available R&D tax credits that may result in reduced tax obligations and refund opportunities.

### What Is the R&D Tax Credit?

Originally created by the *Economic Recovery Act of 1981*, the federal R&D tax credit has changed several times over the last three decades. These improvements have allowed more and more companies to take advantage of the credit to offset investments in substantial or incremental improvements. The cost associated with these activities (including the time spent) is then used to calculate the R&D credit. The credit offsets current federal tax obligations dollar for dollar. Many states also recognize the R&D tax credit for state income tax purposes.

### Who Qualifies?

While the R&D credit is available for any expenses related to qualifying activities, the following industries are most likely to qualify:

- Manufacturing
- Software Development
- Tool and Die
- Biotech and Pharmaceutical
- Oil and Gas Exploration
- Brewery and Distillery
- Telecommunications

### Refund Opportunities

Under current IRS rules, companies also can claim credits available in prior years and apply for a refund of past tax payments or carry those credits forward to the current year. Currently, the open window for these prior-year credits would include three prior years still within the taxpayer's statute of limitations.

### Documentation Requirements

In addition to helping you identify qualifying activities, BKD's R&D tax credit team can assist you in properly documenting costs associated with qualified activities and provide a method for arriving at those costs. Our R&D tax credit study and report is designed to meet IRS requirements for proper documentation of these costs and provide a clear description of the methods used in identifying costs.

### Getting Started

The first step in determining whether you qualify for the R&D tax credit is a no-cost feasibility analysis. Our R&D consultants will collect some preliminary information from you and provide you with an estimate of available credits and the study fee. From there, you can decide if you want to proceed.

Experience reach with a top-tier firm that serves clients in all 50 states and possesses international experience spanning more than 40 countries.

50/40  
states countries



“Our company does a lot of R&D work, but until we began working with BKD, we were unaware that it qualified for the tax credit. Now, on an ongoing basis we know and realize the tax value of our R&D efforts. Thanks to BKD, we have recovered significant tax dollars.”

—Ryan Haas, Executive Vice President  
Delaware Machinery & Tool Co.

## Why Choose BKD for R&D Credit Solutions?

BKD is one of the largest CPA firms in the country. Dedicated engineers and tax professionals on our R&D tax credit team have performed hundreds of R&D credit studies for clients throughout the United States. We help large, public multinational companies and small, family-owned businesses identify, document and calculate these lucrative credits.



## For More Information

To learn more about the R&D credit, visit [bkd.com/service/tax/Research-Development.htm](http://bkd.com/service/tax/Research-Development.htm) or contact:

Ashley Thompson  
Managing Consultant  
athompson@bkd.com  
317.383.3652

Jason Jobgen  
Alliance Services  
jjobgen@bkd.com  
219.681.5843

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