

RIX TECHNOLOGY, LLC.

R&D Tax Specialists Tax Automation Services

Research and Development Tax Incentives for the Life Sciences Industry.

Is your company fully aware of the opportunities that are waiting to be claimed through the Research and Development Tax Incentives?

Your Opportunity: Due to the incremental nature of the research credit, many companies in the life sciences industry have experienced declining research and development (R&D) tax credits. This trend has heightened the need to explore whether all qualified activities are being considered in the research credit calculation.

For example, many life science companies may not be capturing all manufacturing-related R&D expenses. This is particularly important as companies shift R&D investments from one or two blockbuster drugs to a larger number of products in the pipeline. With each launch, there are associated manufacturing and R&D costs that may be eligible for tax credits.

Examples of initiatives that may be eligible for R&D tax incentives include:

- Developing production processes for new products, including FDA qualification, validation, and clinical testing during Phases I-IV clinical trials
- Establishing a new factory or production line where new technology is employed or new manufacturing techniques are used
- Manufacturing experimental qualification lots and clinical trial lots
- Manufacturing process scale-up design and development efforts
- Creating cross-functional process improvement teams, including production and maintenance employee activities as well as continuous improvement initiatives
- Developing technology for compliance with EPA requirements and environmental remediation
- Developing new product and process assays
- Designing and developing certain hardware and software systems for use in research and clinical development, and medical device equipment used for treating various diseases
- Developing product improvements to increase the shelf life or stability of an existing product and reformulation to reduce side effects or dosage
- Supporting new or improved product development through pharmacovigilance data collection activities and biometrics analyses

Medical device companies are expanding their R&D activities as well, particularly in therapeutic areas such as urology, gastro esophageal reflux disease, interventional therapies, and orthopedics.



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RIX ®Technology: The Smarter Technological Solution

RIX® (for Resource Information Xchange) is an interactive, web-based information management system that provides easy-to-use, activity-based information requests, facilitates uploading and storage of relevant contemporaneous documentation, and streamlines the review & analysis of information gathered. The primary functions of the application provide an interactive Research Credit knowledge exchange for the taxpayer, allow remote reporting of Research Credit data by the taxpayer, analyze, test and document qualified activity and financial information; and facilitate remote Research Credit review by the IRS. RIX® Technology provides a valuable conduit for the client to ask real-world questions when they occur and evaluate the credit worthiness of individual activities or projects to maximize tax credits.

Our Approach

The RIX Technology R&D team is a national practice of highly experienced tax professionals specializing in R&D tax incentives. Our R&D professionals are exclusively dedicated to R&D tax issues and specialize in particular industries, including aerospace and defense. Our focus provides us with an unusual depth of experience. We also work in an efficient and non-intrusive manner so that you can stay focused on business.

Why RIX ® Technology?

Continuous, regular, contemporaneous reports with RIX® Technology result in more inclusive identification of activities, greater accuracy in related expenditures and clarity of information. Companies using RIX® see increased credit amounts, simplified documentation and review and limited reduction of tax credits under IRS review.

- Simple access to Research Tax Credit benefits
- Expansion of Research Credit opportunity (more tax dollars returned)
- Reduced total cost for Research Credit benefits (less internal effort, shorter filing periods, smaller fees)
- Durable Research Credits (certainty under review)
- Efficient Research Credit data collection
 - Reduction of personnel time for data collection
 - Minimal training requirements
 - Reduced impact of personnel turnover on Research Credit data collection
 - Improved continuity of records
 - Minimal personnel participation in examinations by taxing authorities
- Interactive Q&A and FAQ data
- Increased Research Tax Credits from improved recordkeeping
- Simplified IRS audit process
- SOX benefits
 - Systematic process
 - Improved recordkeeping
 - Greater certainty of Research Credit retention under IRS review
- Availability of accurate management metrics for R&D efforts
- Greater internal visibility of Intellectual Property information
- Forum for periodic posting of critical information to operational personnel

Visit our rixtechnology.com website to see the detailed benefits for taxpayers and accountants.