

RIX TECHNOLOGY, LLC.

R&D Tax Specialists Tax Automation Services

Research and Development Tax Incentives for the Oil & Gas Industry.

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

Your Opportunity: Research and development (R&D) in the oil & gas industry is more important than ever with more companies conducting deepwater exploration, exploring alternative fuels, expanding refining facilities, extracting oil from shale, and bringing liquid natural gas terminals on-line. Federal tax credits provide permanent benefits to drive down effective tax rates and generate cash flow. You also may qualify for state and global incentives depending on where activities are performed. What's more, the Energy Tax Incentives Act of 2005 includes a provision that allows 100 percent of certain contract research payments made for energy-related research to be treated as a qualified research expense. There is an additional 20 percent credit for payments made to qualifying energy research consortia.

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

- Design and development of advanced drilling techniques, both upstream and downstream
- Software development to improve resolution of reservoir interpretation and performance at the exploratory and development stages
- Improvements in efficiency and capability of coiled tubing technology
- Production optimization technology and improved geological and geophysical interpretive methods
- Design, engineering, and testing related to newly designed offshore platforms or vessels
- Design, engineering, and testing related to new refined products and development of improvements to the refining process
- New processes for bioremediation, oil spill cleanup, emissions control and monitoring, gas flaring, and hydrogen sulfide gas detection

Determining the cost of R&D is often difficult, as few companies have a project accounting system that captures many of the costs for support provided by personnel who collaborate on R&D. The typical project tracking system does not include all contractor fees, director support and salaried personnel who participate in the research effort.

CALL RIX® TECHNOLOGY TODAY FOR A FREE CONSULTATION AT 206.855.1700

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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.