

RIX TECHNOLOGY, LLC.

R&D Tax Specialists Tax Automation Services

Research & Development Tax Incentives for the Plastics and Chemicals Industry

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



Your Opportunity:

Increased investment in research and development (R&D) can be expected in the chemicals and plastics industry with resurgent profitability and expanding global operations. Consequently, it is important to consider whether you are taking advantage of opportunities in the R&D tax incentives. Manufacturing/plastics engineers and managers may have heard of R&D incentives and many consider that they only apply to scientific research. Of those that do identify their work as eligible, in our experience, few will have had dialogue with the company tax department and thus the potential benefit to the company is often overlooked because of poor intra-company communication.

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

- Designing and developing production processes for new products, including EPA compliance testing
- Using new technology in the production process to increase yield or reduce waste, by-products, or environmental impact
- Creating specialized tools using new technology or developing prototype tooling
- Conducting trial production runs
- Creating cross-functional process improvement teams, including production and maintenance employee activities, as well as continuous improvement initiatives
- Using new technology for environmental remediation
- Developing technology needed to meet the demands of heightened scrutiny

A significant number of prototypes and eligible consumable materials were also associated with these development areas. Staff costs, expenditure on software and consumable items and certain subcontract expenses.

Many organizations would correctly consider that development of a composite material with a temperature rating of 100°K higher than existing materials would be eligible. However, they may miss out on the qualifying cost of the innovative development required in the moldings machinery in order that the same material can be utilized in a new product.

In a small, integrated department this may seem a fairly straightforward extension to the material development. But it may be less obvious if the machinery innovation is occurring in a different division or if the equipment developer is an unconnected organization which may be able to claim in its own right.

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