

RIX TECHNOLOGY, LLC.

R&D Tax Specialists Tax Automation Services

Research and Development Tax Incentives.

Is your company fully aware of opportunities for Federal, Global & State Research and Development Tax Incentives?



Your opportunity:

Research tax incentives – including federal credits, various state incentives, and global incentives are among the most significant benefits available to businesses operating in the global economy. These incentives are broader than many companies realize, applying not only to product development but also to other activities and operations such as new manufacturing processes, environmental improvements, software development, and quality enhancements.

You can address the cost & risk of research & development (R&D) by leveraging tax incentives given the extension of the R&D Tax Credit and the new Alternative Simplified Tax Credit (ASC). The ASC is beneficial to companies that have not reported research credits in the past or have reported nominal credits due to the burdensome base amount rules. Whichever credit you choose to explore, it is important to understand the rulings and interpretive guidance since you must be prepared to defend reported R&D tax credits.

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.

However, taking advantage of the opportunities represented by federal, global, and state research tax incentives requires a keen understanding of IRS documentation requirements, along with a technical understanding of the products & processes for which the credit is being sought. Knowing the complexities of a company's R&D activities for credit opportunities is a key area of knowledge. Many companies don't have the resources to devote to this ever-changing area, because of changes to legislation and regulations and the analysis to determine the qualifying activities.

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

The current environment requires that technology be used to support the data-gathering process. Keep in mind that the actual research credit analysis is a facts-and-circumstances test. No database can fully automate this test. RIX® Technology is the right combination of people, process, and technology that is essential to make the most of your research tax credit program.

CALL RIX® TECHNOLOGY TODAY FOR A FREE CONSULTATION AT 206.855.1700

Research and Development Tax Incentives

The IRS has designated the research credit as a “Tier One” issue under its new Strategic Initiative. Examinations now begin with the standardized “Tier One” Information Document Request (IDR), defining a broader, more intensive test. Moreover, approaches adopted and accepted by the IRS in prior examinations may no longer be accepted. Companies now must ask themselves if they have the documentation needed to comply with these new requirements.

Our Approach

Our R&D team is a national practice of highly experienced tax professionals specializing in R&D tax incentives. Using our R&D team provides you with the comfort of knowing that you have fully considered tax incentives that can impact R&D costs. We offer:

- Extensive experience providing services to a variety of industries and related sectors
- Proprietary software, RIX®, tailored to your circumstances
- A demonstrated methodology for carefully evaluating and documenting R&D tax incentives
- A group of professionals with a deep technical knowledge in this complex area
- Personnel with direct experience in major industries and training in various technical and scientific disciplines
- Efficient and nonintrusive R&D analyses that help you stay focused on your business

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.

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