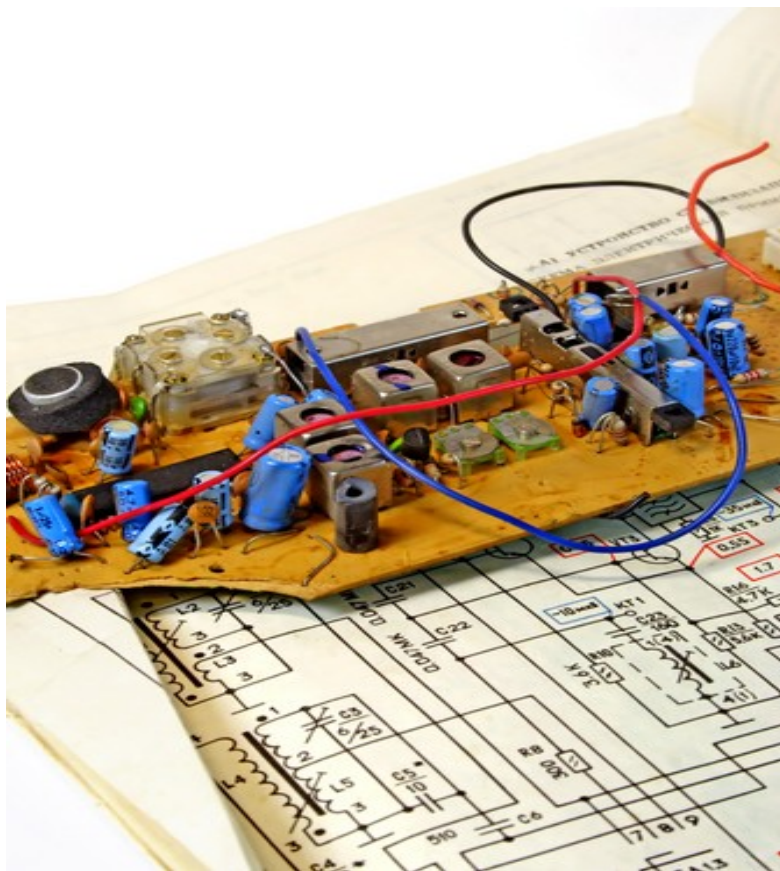


RIX TECHNOLOGY, LLC.

R&D Tax Specialists Tax Automation Services

Research & Development Tax Incentives for the Semiconductor 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) continues to drive the expanding market for semiconductor products in consumer electronics and most other industries.

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

- Product development in wireless, networking, MEMS, RFID, memory & other markets
- Process development and integration including advanced lithography, copper inter-connects, low-k dielectrics, metal gates, etc.
- 300mm process development and conversion
- Yield enhancement
- System on chip (SOC)
- Packaging and assembly advancements, including SOC, flip chip, 3D packaging, HDI, and lead free
- Silicon on insulator substrate improvements
- Device density improvements
- Design for test
- Factory automation and advanced process control (APC) systems
- Environmental, health and safety improvements

Identifying and qualifying activities for the R&D tax credit, however, has become extremely complex. For example, designing various system components typically masked on a silicon wafer for chips can occur throughout your global operation, yet only the research activities occurring in the United States qualify for the credit. Additionally, determining qualified supply costs for producing prototype masks in wafer sets is difficult because the law in this area is unsettled.

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