



R&D INCENTIVES

Smarttax utilizes a team of highly qualified professionals, including IP attorneys with engineering backgrounds, and adhere to the Comprehensive Project by Project Approach methodology as required by the IRS. By following this methodology, we qualify every applicable employee, activity, hour spent and corresponding wage paid in order to maximize the incentive for our client. We strictly adhere to the applicable sections of the code and provide first-in-class documentation to substantiate our findings.

What is it?

An in-depth analysis of specialized incentives for U.S. manufacturing firms. (Manufacturing includes Aerospace to Electrical Engineering to Agriculture and more.)

Who Qualifies?

Any U.S. firm with \$1.5M in annual payroll AND has paid Federal taxes within the last 3 years.

How Much Savings?

Average tax savings is \$20,000-\$40,000 per year for every \$1 million in total company payroll. Companies may be eligible for up to three prior years.

Manufacturing Incentives Benefit

The Manufacturing Incentives Benefit is a Federal program designed for companies that perform manufacturing in the U.S. This program is listed under Section 41 of the IRC (Internal Revenue Code) and continues to be amended on an annual basis as the U.S. manufacturing landscape continues to evolve. This is an engineered-based program that focuses on a company's operations and processes in order to determine their qualification for incentives. The Manufacturing Incentives Benefit provides an avenue to receive 'tax money' back from prior years while also reducing current taxable income on a dollar-for-dollar basis.

Targeted Industries

Manufacturing, Engineering, Software, Chemical & Pharmaceutical companies. Increased benefits are available for companies that are involved in:

- Developing and improving quality and cost efficient solutions and processes
- Quality assurance and testing
- Engineering and design

- Manufacturing
- Prototyping or modeling
- Process improvement resulting in better productivity and turnaround cycle
- Specialized assembly processes using technology
- Developing tooling applications and solutions
- Product development and improvement

IRS Definition of R&D

New or improved product, process, technique, formula, software or invention. Technology in nature. Elimination of uncertainty. Process of Experimentation.

GMG Partnership with Smarttax

Smarttax has partnered with Growth Management Group (GMG) to deliver specialized tax incentives. GMG believes wholeheartedly in building Strategic Partnerships and actively reaching out to industries and organizations that would benefit from such a partnership.



Benefits for Owners

- ⇒ Increase cash flow.
- ⇒ Dollar for dollar tax reduction (current year).
- ⇒ Tax refund on prior years – with interest!
- ⇒ Carry forward un-utilized credits up to 20 years.

Qualified Activities Checklist

The IRS offers these activities as meeting qualifications for manufacturing incentives:

- Manufacturing
- Fabrication
- Engineering
- New Product or Process
- Design (layout, Schematics, AutoCAD)
- Prototyping/Modeling
- Integration of new machinery (CNC, SLA etc.) into existing process
- Software development or improvement
- Automating or streamlining internal processes
- Developing tools, molds, dies
- Developing or applying for Patents
- Testing/Quality Assurance/Sigma Six etc.

Fee Schedule

Smarttax (via GMG) agrees to complete the GMG Incentive Analysis at **no cost to the client**. If analysis demonstrates sufficient benefit to the client, GMG procurement fees will be charged on a per project or hourly basis in accordance with Circular 230. Procurement fees not to exceed ten (10) percent for Cost Segrega-

Client Roster Includes



tion, thirty-five (35) percent for Research & Development Credits, fifteen (15) percent plus access fee for Hiring-based Incentives, and fifty (50) percent for Property Tax Mitigation.

GMG Audit Guarantee

Smarttax works with GMG to provide the tax savings benefits. If at any time GMG's work, methodologies or calculations are challenged or scrutinized by the IRS, GMG will offer the defense support necessary to explain or illustrate their findings. GMG follows strict IRS Guidelines, revenue rulings and case law. To date, GMG has had zero disallowances. GMG also has engineering studies in all 50 states serving clients in multiple disciplines including: *Cost Segregation, Research & Development Credits and Property Tax Appeals.*





INJECTION MOLDING FIRM
SAVINGS \$230,000



ADHESIVE MANUFACTURER
SAVINGS \$190,000



CIVIL ENGINEERING FIRM
SAVINGS \$115,000

Project Step-by-Step

