



BLACKLAND
BALCONES

R&D FOR ARCHITECTS & ENGINEERS

The R&D Tax Credit has developed a reputation for being complex and causing uncertainty for taxpayers, however, the research activities credit in § 41 of the Internal Revenue Code is a powerful and valuable source of tax savings for businesses conducting qualified activities. Much of the uncertainty around the credit was resolved when Congress made the R&D Tax Credit a permanent part of the US Tax Code.

ARCHITECTURE & ENGINEERING

Architecture and engineering firms can often claim the R&D Tax Credit. Many of these firms produce work product and conduct activities that qualify under the IRC. Whether Architectural Design, Master Planning, Civil Engineering, Structural Engineering, Environmental Engineering, Mechanical Engineering, Electrical Engineer, Manufacturing/Process Engineering or another sub-discipline, these firms are providing their clients with solutions by conducting activities and spending dollars that can generate a credit.

LOOK FAMILIAR?

If an architecture or engineering company is using CAD, BIM, calculating loads, designing foundations, solving grade issues, designing or improving facilities, and engaging their clients to meet project goals—the chances are good that we can identify a credit for you.

YOUR EMPLOYEES

Does your firm have Architects? CAD Designers? Engineers? Drafters? Modelers? Project Managers? PE's? Scientists? Working with these employees, we can identify the aspects of their job duties that could result in an R&D Tax Credit.

“The mission is to bring high powered tax savings to the businesses in our own backyard. By providing R&D tax consulting services with a focus on Texas companies, we seek to empower innovators, entrepreneurs, and small business people to help expand and grow our community.”

THE PATH ACT OF 2015

In December of 2015, the Protecting Americans from Tax Hikes Act of 2015 (PATH) was signed into law and several new regulations have been proposed. The changes included some important modifications to the R&D Tax Credit:

- The credit is now permanent!
- Creates an “AMT Turn-Off” for an Eligible Small Business
- Creates the ability to apply the R&D Tax Credit against up to \$250,000 of payroll taxes for Qualifying Small Businesses (Start-ups)
- Refined and updated software regulations

WHO CAN BENEFIT AND HOW?

Since its enactment in 1981, this credit has grown, expanded, and evolved into one of the best tool’s in the American business’s tax planning tool box. Every year, the R&D Credit delivers BILLIONS of dollars in federal and state benefits to companies conducting qualified activities. Tens of thousands of companies every year take advantage of this credit, although current estimates are said to be under 10% of eligible businesses are actually taking this credit—which is why we are working with smart CPAs and local businesses to claim this credit and bring benefit specifically to our regional businesses and keep our economic growth strong!

WHAT INDUSTRIES?

- Software, Systems Design, & Emerging Technologies
- Architecture and Engineering
- Manufacturing
- Food and Beverage Production
- Tool & Die/ Machining
- Agriculture & Food Science
- Chemical & Pharmaceutical
- Construction
- Automotive and Aerospace

POTENTIAL BENEFITS

- Up to 13.5 cents of tax credit for every qualified dollar
- Dollar for dollar offset against your federal and state tax liability
- Increased cash flow and refunds available for open years
- Ability to carry forward for up to 20 years
- Increase in partner/ shareholder earnings
- Regulatory updates make the credit friendlier and more feasible than previously



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