



BLACKLAND
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SOFTWARE AND R&D VERSION 2.0

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.

SOFTWARE DEVELOPMENT

Software development can be a challenging and highly rewarding business. Bill Gates said it's "a great combination between artistry and engineering." It has also been said that flawless software does not exist, meaning development can seemingly never end. Many companies know that putting resources into different programs, projects, and frameworks or applications could potentially be very successful and profitable. What these companies often do not know, however, is that software development can generate an R&D Tax Credit. Additionally, the success of your efforts does not dictate whether the project's expenses could qualify for a credit.

LOOK FAMILIAR?

Does your company or department speak a different language? BASIC? Pascal? C++? Java? .NET? Are your Network Engineers crucial to your operations or your customer's operations? Scrum, Lean, Kanban, agile, DSDM, XP, Crystal Clear, waterfalls, or spiral: no matter how you are getting to your end goals, your development processes could be qualified for 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.”

R&D SOFTWARE GLITCHES

Software can be challenging for R&D providers and companies. With issues like internal use exceptions, third party interaction exceptions, and service software exceptions, it's important to have a tax expert on your side.

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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Our name comes from our geography- Texas' Blackland Prairie meets the Balcones Escarpment along a line running through Bexar, Comal, & Hays county, and northward past Waco headed to Ft. Worth.

Blackland Balcones strives to become the main regional provider of R&D tax credit consulting services for Comal County, Bexar County, Hays County, & surrounding Texas areas. Blackland Balcones focuses on cultivating lasting relationships with CPAs, clients, and industry organizations in the central Texas area and providing a positive impact to the local community.



JAMES R. HEINBAUGH

Blackland Balcones was founded in 2016 by James R. Heinbaugh. Mr. Heinbaugh is an attorney licensed in both Texas and Colorado. He oversees audit defense and conducts R&D analysis, as well as running a law practice in New Braunfels. He has over 5,000 hours of R&D practice, and experience in tax, business, corporate, and commercial law. Mr. Heinbaugh grew up in New Braunfels before going to the University of Texas and then the US Air Force. Mr. Heinbaugh earned his law degree from the University of Denver with a Certificate in Corporate and Commercial Law. Jimmy lives in Canyon Lake with his wife and kids.



ROSS P. CUNNINGHAM

In 2017, Ross P. Cunningham joined Blackland Balcones. Mr. Cunningham is an industry recognized expert with over 15,000 hours of R&D practice and a background in accounting and finance. He is our technical practice leader and conducts R&D analysis. Mr. Cunningham has delivered tens of millions of dollars of benefits and worked with thousands of clients. He earned his BS in Accounting from University of Houston- Clear Lake. Mr. Cunningham lives in New Braunfels with his awesome dog, Hank.



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