



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.

FOOD AND BEVERAGE

Thousands of people and companies develop the cornucopia of food products, beverage products, sauces, pet foods, and other ingredients found in our modern market place. As companies take their ingredients and transform them into final products, they seek to optimize their efficiency, quality, flavor, and shelf-life. The companies work diligently on their formulas, their additives, their cooking processes, their brewing processes, their packaging and production, among other factors. You might be working diligently to bring the best product to market, while unknowingly conducting activities and spending dollars that can generate an R&D Tax Credit.

YOUR EMPLOYEES

Master brewers, brewer's assistants, quality assurance, testing technicians, enologists, food production assistants, food scientists, bottling production staff, and production managers are employees that could be conducting qualifying activities.

LOOK FAMILIAR?

Are you adjusting enzymes, pursuing better IBU balance, experimenting with conditioning and fermentation? Are you experimenting with aging, or acid blends, seeking mouth feel or flavor profiles?

Have you worked on better packaging, more efficient production systems, processes that have less wastage, or making new formulas that will work with new equipment? Are you creating new seasonal brews, limited releases, new foods, new flavors, new additives? Designs for new facility or expansions? Call us today.

“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



BLACKLAND
BALCONES

297 W. SAN ANTONIO ST.
NEW BRAUNFELS, TX 78130

(830) 420-6890