

R & D TAX CREDITS

New tax regulations enable small to mid-size companies to be eligible to take advantage of Research and Development Tax Credits. These R&D Credits are designed to grant money by the Federal Government as an incentive to manufacturing, design, and engineering industry jobs. R&D credits are designed to increase cash flow by giving money back to the client as well as deferring current taxes. If these companies have invested time, money and resources to the advancement and improvement of their products or process, then they likely qualify for the Federal R&D Tax Credit Incentive Program.

If your company does ANY of the following, you will qualify for a portion of the credit.

- Manufacturing
- Fabrication
- Engineering
- New Product & Process Development or Improvement
- Developing New Concepts or Technologies (new to you)
- Design - Layout, Schematics, AutoCAD, Specs
- Prototyping or Modeling
- Testing or Quality Assurance (including certification like ISO 900X, UL, Six Sigma)
- Have You Installed Machinery in the Last Four Years? (CNC, SLA, SLE...)
- Software Development or Improvement (Hard Coding)
- Automating or Streamlining Internal Processes
- Developing Tools, Molds or Dies

Client Benefits Include:

- Significant credits/cash back from previous 3 open years
- \$1 for \$1 reduction on current year's taxable liability
- Additional tax savings in the future
- Unutilized credits are carried back 1 year and then carried forward up to 20 years
- Increase company assets and value

Sample Manufacturing Benefits:

Automotive Prototyping Company

Sampling of Activities:

- Plastic parts manufacturing
- Rapid prototype modeling
- Design - AutoCAD
- Aluminum prototype tooling
- Silicone tooling
- Injection, Blow, Compression molding
- Vacuum forming



Annual Payroll:

- 2008 - \$2MM
- 2009 - \$3MM
- 2010 - \$4MM
- 2011 - \$5MM



Net credit benefit for 2008 - 2011 tax years - \$200,000

Metal Product Fabrication

Sampling of Activities:

- Grinding
- CAD Drawings
- Electro Mechanics
- Vibratory Deburring
- Hardware Insertion
- Laser Technology
- Machining



Annual Payroll:

- 2007 - \$6MM
- 2008 - \$7MM
- 2009 - \$8MM
- 2010 - \$9MM



Net credit benefit for 2007 - 2010 tax years - \$500,000

Software Company

Sampling of Activities:

- Designing Software
- Coding
- Programming
- Improving application features
- Functionality improvements
- Alpha, beta testing
- Improving Modules

Annual Payroll:

- 2008 - \$5MM
- 2009 - \$6MM
- 2010 - \$7MM
- 2011 - \$8MM



Net credit benefit for 2008 - 2011 tax years - \$500,000

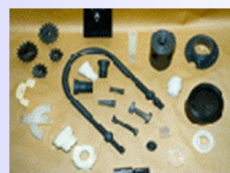
Engineering Company

Sampling of Activities:

- Pipe and Filtration Systems
- Prototyping
- Solvent and Adhesive bonding
- Quality Assurance
- Thermoforming Process
- Designing systems and products
- Developing layouts and schematics
- Testing and Failure analysis

Annual Payroll:

- 2006 - \$10MM
- 2007 - \$11MM
- 2008 - \$12MM
- 2009 - \$13MM



Net credit benefit for 2006 - 2009 tax years - \$700,000