



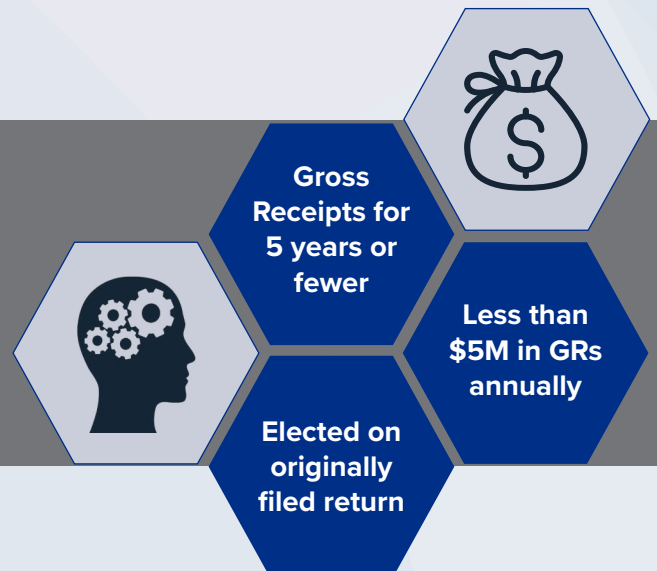
R&D Tax Credit for Mechanical Contractors

The Credit for Increasing Research Activities (IRC Section 41) or the R&D Tax Credit, as it is more commonly known, has been around since 1981. While the methodologies for calculating and documenting the credit have evolved through the years, the R&D Tax Credit remains a great benefit to the taxpayers that are eligible for this incentive. With the PATH Act of 2015 making the R&D Tax Credit permanent and enabling eligible start-up companies to off-set payroll taxes, some taxpayers do not even have to be in a taxable position to benefit from the credit!

Example Qualifying R&D Credit Activities for Mechanical Contractors

- » Design and development of new Heating, Ventilation, and Air Conditioning (HVAC) systems or improvements/upgrades for existing HVAC systems for new or renovated buildings or structures
- » Development of unique heat exchange, humidity control, refrigeration, or air filtration solutions
- » Design and development to achieve Leadership in Energy and Environmental Design (LEED) or energy efficient requirements
- » Building Information Modeling (BIM) to develop designs and evaluate constructability and functionality
- » Programming and installation of Programmable Logic Controllers (PLCs)
- » Mechanical system testing and commissioning

New businesses and start-up companies may be eligible to apply the R&D Tax Credit against their payroll taxes for up to five years. Eligible companies can claim a payroll-tax offset of up to \$500,000 annually.



If you'd like more information or if you have any questions, please contact a member of the R&D team:
Ross Alessandro, Erin Haase or Charlotte Garraway.



Ross S. Alessandro, III
Shareholder—Tax Advisory Services
ralessandro@schneiderdowns.com
(412) 697-5637



Erin A. Haase
Senior Manager—Tax Advisory Services
ehaase@schneiderdowns.com
(412) 697-5188



Charlotte L. Garraway
Manager—Tax Advisory Services
cgarraway@schneiderdowns.com
(412) 697-5381



SCHNEIDER DOWNS

Big Thinking. Personal Focus.

www.schneiderdowns.com

PITTSBURGH

One PPG Place
Suite 1700
Pittsburgh, PA 15222
P 412.261.3644

COLUMBUS

65 E. State Street
Suite 2000
Columbus, OH 43215
P 614.621.4060

METROPOLITAN WASHINGTON

1660 International Drive
Suite 600
McLean, VA 22102
P 571.380.9003