



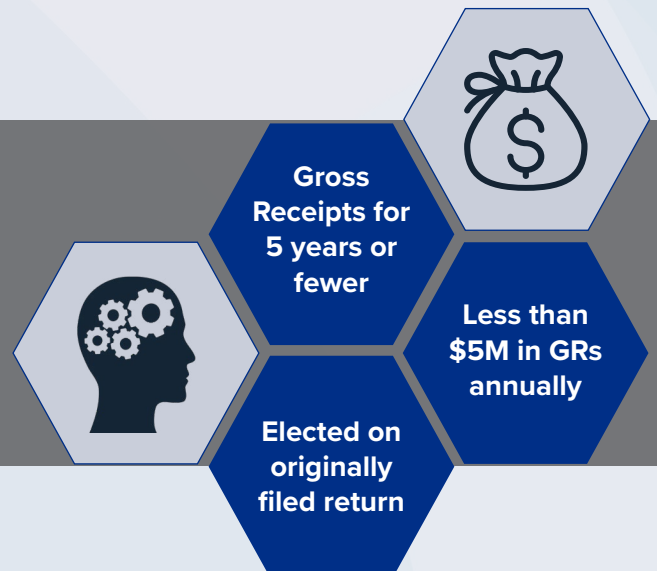
# R&D Tax Credit for Electrical Contractors

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 Electrical Contractors

- » Design and engineering of electrical systems
- » Development of new materials for use in electrical systems or insulation
- » Design and development to achieve Leadership in Energy and Environmental Design (LEED) or energy efficient requirements
- » Utilizing Building Information Modeling (BIM) to develop designs
- » Design and fabrication of electrical components
- » Programming and installation of Programmable Logic Controllers (PLCs)
- » Electrical 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:  
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