



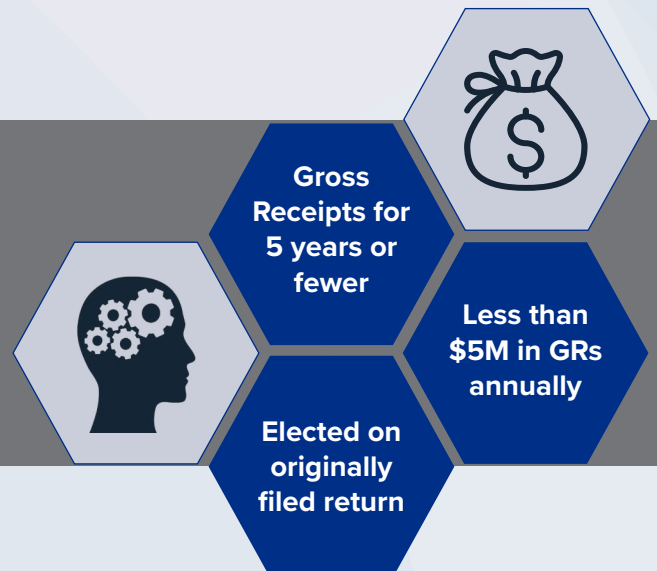
# R&D Tax Credit for Manufacturers

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 Manufacturers

- » Design and development of a new or improved product
- » Design and development of a new or improved manufacturing process to achieve better efficiency, quality, performance, or reliability
- » Development of new or improved processes to meet new government requirements or achieve ISO certifications
- » Designing, prototyping, and developing new technology and/or manufacturing equipment
- » Programming and integration of PLCs (Programmable Logic Controllers)
- » Design and development of new or improved software applications for a variety of functions, including but not limited to supporting business functions, automation, customer communication portals, etc.

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



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**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