R&D TAX CREDITS: ARCHITECTURE & ENGINEERING

GET TAX CREDITS FOR YOUR RESEARCH

Refunds are available for companies performing research within the Architecture and Engineering (A&E) Industries. The research credit provides dollar-for-dollar cash savings each year for companies performing activities related to the development of new or improved products and processes. These benefits could provide much needed cash to hire additional employees, increase R&D, expand production facilities, etc.

Many companies involved with A&E are unaware that their efforts within designing and developing their products can yield a large amount of research credits. Examples of R&D activities related to the industry as well as potentially qualifying job titles are listed below.

EXAMPLES OF QUALIFYING R&D ACTIVITIES

- Achieving Leadership in Energy and Environmental Design (LEED) certification
- Considering and evaluating and different design alternatives
- Designing foundation and earthwork for site conditions
- Developing new or improved designs for structures
- Developing new software applications to use internally to interact with customers/vendors
- Developing preliminary design, development plan
- Developing preliminary computer-aided design (CAD) modeling and testing
- Developing schematic designs
- Developing unique functional and energy-efficient designs

POTENTIALLY QUALIFYING R&D JOB TITLES

- Civil Engineer
- Construction Manager
- Designer
- Drafter
- Electrical Engineer
- Environmental Engineer
- Mechanical Engineer
- Project Manager
- Project Architect
- Structural Engineer

AMT OFFSET

For tax years beginning after December 31, 2015, eligible small businesses (those with $50 million or less of gross receipts) may claim the research credit against AMT liability.

UP TO $250,000 IN PAYROLL TAX

Qualified start-up companies may elect to use up to $250,000 of the research credit against payroll taxes. Treasury Regulations have substantially broadened the range of taxpayers who are eligible for the credit. Start-ups to publicly traded businesses who were previously unable to realize a benefit from this lucrative tax credit should reassess their eligibility.

CASE STUDY

DEVELOPER OF A&E PRODUCTS AND PROCESSES

Annual Revenue: $15 Million

RESULTS:

$400,000

In Federal & State R&D Tax Credits