

R&D TAX CREDITS: AGRICULTURE



GET TAX CREDITS FOR YOUR RESEARCH

Refunds are available for companies performing research within the agriculture industry. 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, acquire new equipment, etc.



Many agriculture companies are unaware that their efforts associated with the awarding and completion of their projects can yield a large amount of research credits. Examples of R&D activities within the industry as well as potentially qualifying job titles are listed below.

EXAMPLES OF QUALIFYING R&D ACTIVITIES

- Determining tooling requirements and optimal placement of equipment
- Developing new or improved quality assurance testing process
- Developing processes that meet stringent regulatory requirements
- Developing prototypes using computer-aided design (CAD) and computer-aided manufacturing processes
- Developing robotics and automated technology
- Experimenting with new or improved filling and packaging techniques
- Improving strength, durability, and service life
- Maximizing feeds/speeds while ensuring quality and integrity of the part
- Improving processes including filling and sealing of products, packaging, die design/techniques, minimizing environmental impact (waste control and recycling), and flexibility and agility due to increased product volume and diversity

POTENTIALLY QUALIFYING R&D JOB TITLES

- Computer Numerically Controlled (CNC) Operator
- Computer-Aided Design (CAD) Technician
- Design Engineer
- Director of Operations
- Machinists
- Manufacturing Engineer
- Packaging Engineer
- Plant Operator
- Process Engineer
- Production Manager
- Quality Assurance (QA) Manager
- Reliability Engineer
- Test 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 \$500,000 IN PAYROLL TAX

Qualified start-up companies may elect to use up to \$500,000 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.

ABOUT KBKG

KBKG is a national firm specializing in R&D Tax Credits, Cost Segregation, 45L Tax Credits, 179D Tax Deductions, Transfer Pricing, and other specialty tax incentives. Our engineers and tax experts have performed thousands of tax projects for clients, saving them hundreds of millions of dollars since 1999. As leading educators in our field, we have been invited to speak to thousands of CPAs and tax professionals by the most prominent associations in the industry.

GET MORE INFORMATION

KBKG can quickly review your situation to determine if there is an opportunity. To see if you qualify, call us today or visit our website at KBKG.com/qualify for more information.

CASE STUDY

DEVELOPER OF AGRICULTURE PRODUCTS AND PROCESSES

Annual Revenue: \$15 Million

RESULTS:

\$1,000,000

In Federal & State R&D Tax Credits