

Engineering Services

Client Profile

McGuire Sponsel was engaged by an environmental engineering services group that specifically focuses on water resources. With an annual revenue of \$10 million, the company had not previously claimed the R&D Tax Credit. McGuire Sponsel realized the opportunity, as the majority of their projects include designing new and improved wastewater treatment plants.

The Challenge

McGuire Sponsel's team of engineers and business consultants conducted on-site interviews and reviewed contemporaneous documentation for a substantial number of projects. Time-tracking data was used to extract qualified percentages and thereby create a strong case in terms of substantiation. In seeking qualified tax credits, McGuire Sponsel was able to include the wages of 45 employees who participated in either direct engineering services or technical support.

Study Results

Over a four-year period, McGuire Sponsel identified \$4.5 million in Qualified Research Expenses (QREs), resulting in \$290,000 in federal tax credits and \$325,000 in state tax credits.

After educating project managers about the R&D Tax Credit, McGuire Sponsel was able to identify several qualified projects and collect the related documentation to substantiate the claim.

