



R&D Tax Credit
Results

Tool and Die Manufacturer

► Client Profile

A tool and die manufacturer engaged McGuire Sponsel to perform a **current year R&D Tax Credit Study**. During a preliminary meeting the tool and die manufacturer was able to explain a typical project cycle and gain a clear understanding of its qualifying activities. McGuire Sponsel determined that the tool and die manufacturer had a significant opportunity to claim the R&D Tax Credit based on its development of made-to-order parts and tools.

► The Process

By performing on-site fieldwork, our professionals gain a thorough understanding of our client's business model, organizational make-up, accounting infrastructure, and approach to new development. McGuire Sponsel visited the client's facility and had discussions with the President and Operations Manager, to identify key technical personnel involved with engineering, managing and supporting the development of custom manufactured tools. Individual and small group interviews with these employees enabled McGuire Sponsel to identify qualifying activities, including engineering new and improved parts, tools, dies, and fixtures, as well as the related manufacturing processes.

► Study Results

Federal tax credits were calculated and McGuire Sponsel produced a final deliverable that substantiated the company's qualified research. The result of the three-year study was effective R&D Tax Credits of more than \$65,000. This amount was a dollar-for-dollar reduction of the client's tax liability which resulted in tax refunds and an offset of future taxes. On average, McGuire Sponsel will typically see a net federal tax benefit of 5 – 6.5 percent.

► How We Can Help

McGuire Sponsel's team of dedicated tax professionals have the expertise necessary to assist companies with qualifying and maximizing its R&D Tax Credits. We evaluate a company's specific situation to identify potential opportunities and reduce the overall tax burden.

A taxpayer that is developing new or improved products or processes should consider an R&D Tax Credit Study. Following a preliminary meeting, McGuire Sponsel can conduct a complimentary benefits projection to determine the value an R&D Tax Credit Study can deliver.

MORE THAN
\$65K
EFFECTIVE TAX CREDIT

Cost
Segregation

IC-DISC

Credits &
Incentives

R&D
Tax Credits

Derivatives & Debt
Advisory