



# Transforming the R&D tax credit process

## Research credit services

With innovation at the core of companies across all industries, it is no surprise that the research and development (R&D) tax credit remains one of the most favorable business incentives.

### R&D tax credits today

Of the many benefits R&D tax credits offer companies, three major benefits include:

- **Lowered** effective tax rate
- **Expanded** cash savings
- **Improved** earnings per share.

In addition to federal R&D tax credits there are many state and global R&D credits/incentives that KPMG can help with to unlock value for your organization.

### R&D tax credits reimaged

With increased reporting requirements beginning in 2024, the burden of proof on the taxpayer to document eligible credit activities and demonstrate a nexus with the qualified research expenses has grown. R&D credit studies can be laborious, and this process is often compounded by disruptive IRS examinations.

### Why KPMG?




To help companies like yours, KPMG has invested in dedicated professionals and technologies to serve your needs of managing opportunity and risks while limiting disruption to your business.

Through our **people**, **process**, and **technology**, KPMG is able to deliver a customized R&D tax credit approach.

### Business drivers: IDEA

- **I**nnovation
- **D**isruption
- **E**xpansion
- **A**cquisition

### Customized approach

 <b>Differentiator: People</b>	 <b>Differentiator: Process</b>	 <b>Differentiator: Technology</b>
<p><b>The KPMG difference</b></p> <ul style="list-style-type: none"><li>• Industry-experienced engineers</li><li>• CPAs</li><li>• Attorneys</li><li>• Washington National Tax</li><li>• Strong track record with tax authorities</li></ul> <p><b>What this means for you</b> Prioritizing open communication and collaboration, you can have <b>access to the right teammates at all stages</b> of your R&amp;D tax credit journey</p>	<p><b>The KPMG difference</b></p> <ul style="list-style-type: none"><li>• Technology-enabled phased approach designed to meet IRS requirements</li><li>• Quality</li><li>• Scaled to your business</li><li>• Focus on return on investment (ROI)</li></ul> <p><b>What this means for you</b></p> <ul style="list-style-type: none"><li>• <b>Customizable approach</b> that helps mitigate risk, decrease business interruption, and improve efficiencies</li><li>• <b>Scalable design</b> to provide your business a strong ROI</li></ul>	<p><b>The KPMG difference</b></p> <ul style="list-style-type: none"><li>• Research Credit Navigator</li><li>• Digital Gateway GenAI</li><li>• Data analytics and visualizations</li><li>• Leverages your ERP and other technology systems and tools</li></ul> <p><b>What this means for you</b> Provides built-in quality control to <b>deliver more efficient solutions</b> and <b>expand credit opportunities</b></p>

## Today, KPMG works with you to drive efficiency to streamline the R&D credit study process.

Using technology to perform low-value activities, such as data gathering and transformation, KPMG provides you time to focus on data visualizations, analytics, and business results. We also bring scalable solutions to help you navigate the R&D study process, including one or more steps in your process or a fully customized approach.

### Whatever you choose, KPMG may be able to help:



#### Source R&D data

- Process data from various sources



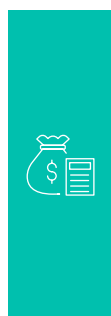
#### Transform source data

- Define “master” data
- Transform data for survey tool
- Analyze data
- Visualize data
- Design automation for data preparation, analytics, and visualizations



#### Study enhancers

- Custom approaches and tools



#### Calculate and support credit

- Compute QRE
- Compute credit
- Prepare workpapers
- Visualize data
- IRS required documentation
- Custom reports, including data and analytics
- Controversy support



#### Collaboration manager

- Research Credit Navigator

For example, KPMG can help determine manual activities that can be automated with practical solutions using technologies of your choice, such as:

- **Leveraging** existing enterprise software (e.g., SAP)
- **Implementing** standard software (e.g., Excel, Alteryx)
- **Building** custom solutions (e.g., SQL modeling).

KPMG also offers **project management** (Research Credit Navigator) and **cognitive technologies** to help companies efficiently and effectively capture the credits allowed by tax law.

#### KPMG is assisting companies in benefitting from the R&D credit in all for-profit industries, including:

- Agriculture, forestry, and fishing and hunting
- Mining
- Utilities
- Construction
- Manufacturing
- Wholesale and retail trade
- Transportation and warehousing
- Information
- Real estate, rental, and leasing
- Professional, scientific, and technical services
- Waste management and administrative services
- Financial services
- Software development
- Other.

Our approach is designed to get you to the end-game of higher quality R&D claims to enhance your credit through tax exams to achieve lower tax rate, improved cash flows, and earnings per share, with minimal disruption.

You choose where to focus, what to scale, and whether to operate some or all internally or with KPMG.

## Contact us

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