



TaxNewsFlash

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IRS releases revised draft Form 6765, *Credit for Increasing Research Activities*

The IRS today announced the release of [draft Form 6765](#), *Credit for Increasing Research Activities*, also known as the research credit.

Background

The IRS released a preview of proposed changes to Form 6765 in September 2023, and requested feedback on whether the new Business Component Detail section should be optional for certain taxpayers. Read [TaxNewsFlash](#)

Changes to Form 6765

According to today's IRS release—[IR-2024-171](#)—changes include making Section G, the Business Component Detail, optional for (a) “qualified small business” taxpayers that claim a reduced payroll tax credit, and (b) taxpayers with total qualified research expenditures (QREs) of \$1.5 million or less, and gross receipts of \$50 million or less.

The IRS has also reduced the number of business components that must be reported on Section G. Taxpayers should report 80% of total QREs in descending order by amount per business component, up to 50 business components.

The amount of information that must be provided with respect to the reduced number of business components on Section G has also been reduced. The selections for the type of business component are reduced, and the definitions for officers, controlled group reporting and business component descriptive names will be clarified in the instructions.

The revised Section G will be optional for all filers for tax year 2024 and will become effective for tax year 2025.

The instructions for the form will be released at a later date.

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