

# R&D TAX INCENTIVES

## THE OPPORTUNITY

The Research & Development (R&D) tax credit is one of the few remaining domestic tax credits for product development in the U.S. The R&D credit is a permanent benefit, both for cash flow purposes through reduced tax payments and for financial reporting purposes through reduced tax expense.

## QUALIFIED ACTIVITIES

- Developing new or improved products
- Improving manufacturing processes
- Developing new software applications
- Introducing new technology into existing processes or products
- Projects to reduce costs / improve plant efficiencies

## RECENT DEVELOPMENTS

- **The R&D tax credit was recently extended by Congress** retroactively extending the credit for activities in 2010 as well as extending the credit through December 31, 2011
- **Taxpayer favorable court cases** - Union Carbide Tax Court decision eliminated the 'discovery test' and allowed the use of estimates in arriving at qualified R&D costs
- **Alternative Simplified Credit** allows many manufacturers and software companies to qualify for some credits
- **2010 Small Business Tax Act** allows small to midsize companies to offset AMT with 2010 R&D credits
- **IRS Tier I program nuances** - we have assisted numerous clients navigate through the Tier I R&D audit process

## CRITICAL SUCCESS FACTORS

- Engaging the most experienced service provider is one of the key steps in successfully claiming and sustaining R&D credits
- Warner Robinson does not leverage project work down to inexperienced staff - we have a small but highly focused R&D team with years of experience in documenting and defending R&D credits
- Return on Investment - Our rate structure is generally much lower than 'Big 4' firms - we can offer your company a greater return on your investment

## WHY WARNER ROBINSON?

- Warner Robinson is a leading national R&D tax credit firm led by Bruce Warner and Cedar Robinson - both with over 16 years of dedicated R&D experience helping clients maximize their federal and state R&D credits
- Bruce and Cedar were both partners and R&D credit practice leaders at large accounting firms; Bruce was also an IRS litigation attorney on the IRS' Research Credit team and represented the IRS in key R&D tax credit court cases
- Warner Robinson offers the most compelling value in the field - former accounting firm and IRS expertise at small firm rates
- Our approach focuses on integrity, honesty and service to achieve your R&D credit goals - not ours

**EXPERIENCE.**  
**& VALUE.**

**R&D TAX CREDIT EXTENDED**

*DOES YOUR COMPANY QUALIFY?*

**Call Warner Robinson today at (800) 792-4861**

## THE WARNER ROBINSON DIFFERENCE

**PERSONALIZED SERVICE** It's not always easy to find a personal representative when seeking services from a large accounting firm. Warner Robinson's approach is to provide the highest level of personal service to our clients including obtaining the expertise of our Managing Directors Bruce Warner and Cedar Robinson.

**TEAMING APPROACH** Warner Robinson can also employ an approach where company in-house personnel and Warner Robinson personnel team together to complete a project. This approach reduces corporate tax consulting costs and is a very effective methodology where some in-house resources are available to assist, but either do not have enough availability to complete the project, or your company seeks to have an R&D expert supplement your in-house staff.

### BRUCE WARNER

Bruce Warner's career spans over 16 years as Tax Counsel to a large corporation, and a former Principal with Deloitte Tax LLP in their R&D practice heading up the Mid-West Region and as a Deloitte national specialist in software R&D and IRS audit defense.



Mr. Warner was also an attorney with IRS District Counsel and co-counsel on the IRS Research Credit ISP team. Bruce worked full-time on R&D issues with the IRS Research Credit team and was on the government's trial team on *Norwest v. Commissioner*, 110 T.C. 454 (1998) and *Wicor v. United States*, 116 F. Supp 2d 1028 (E.D. Wisc. 2000) both of which are leading software R&D cases.

Bruce Warner authored the IRS coordinated issue paper on internal-use software and the IRS field directive guidance on the use of sampling in R&D cases. Bruce also assisted in training the IRS software consultants from the MITRE Corporation, as well as IRS agents and engineers throughout the country on the examination of R&D issues.

### CEDAR ROBINSON

Cedar is one of the most experienced R&D professionals in the industry with over 16 years of dedicated R&D tax credit experience and 18 years of overall tax experience. Cedar's R&D credentials include 11 years at PricewaterhouseCoopers LLP and six years as a Partner and R&D practice leader at Grant Thornton LLP.



Cedar's experience includes nearly every industry group including heavy emphasis on manufacturing and engineering including chemical & industrial coatings, plastics, electric utilities, aerospace, mining, medical device, oil & gas services, metal fabrication, industrial equipment, commercial equipment, consumer goods, food and beverage, and many other manufacturers. Cedar also has significant experience with many software development R&D studies.

Cedar's audit experience includes over 100 IRS audits, plus many IRS appeals and litigation support projects. Recently, Cedar has worked on numerous IRS Tier I R&D credit examinations and appeals with numerous clients including successful resolution of key Tier I IRS issues.

**WE WILL SCOPE YOUR R&D CREDIT FOR FREE**

*CALL US TODAY (800) 792-4861*

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