

the result



## RESEARCH AND EXPERIMENTATION TAX CREDIT RETROACTIVE STUDY: DESIGN/BUILD COMPANY

### CLIENT PROFILE

McGuire Sponsel was engaged by a design/build company that engineers and integrates components for large, automated equipment used in the automotive and medical industries. The company has annual revenue of \$18 million.

### THE CHALLENGE

The design/build company was in actuality a product distributor. McGuire Sponsel conducted extensive qualified research and discovered that the company had a substantial amount of engineering time spent on customizing equipment for their clients. McGuire Sponsel's primary focus was to prove to the IRS that the company was more than just a product distributor.

### STUDY RESULTS

Since the company's engineering group doubled as its sales force, McGuire Sponsel was able to utilize its technical sales experience with its engineering experience to maximize credit research. Over a four-year period, McGuire Sponsel identified \$2.6 million of Qualified Research Expenses (QREs), resulting in \$210,000 in tax credits over the four years.

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When a client engages in more than one business, extensive qualified research can uncover — and prove conclusively to the IRS — that their seemingly unrelated engineering activities qualify them for the R&E credit.

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– TJ Sponsel  
Director  
McGuire Sponsel

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