

the result



RESEARCH AND EXPERIMENTATION TAX CREDIT RETROACTIVE STUDY: DESIGN/BUILD MANUFACTURER

CLIENT PROFILE

McGuire Sponsel was engaged by a company that designs and manufactures turn-key automation systems for major automotive manufacturers including Toyota, Nissan and Honda. McGuire Sponsel worked closely with the company's two owners, who were also lead engineers on all projects, and two software designers.

THE CHALLENGE

Due to what the company designs and manufactures and the engineering activities involved, McGuire Sponsel had to perform extensive analysis to determine what types of engineering services were being offered to the company's clients and by whom, since the company used a host of third-party engineers to complete client work. McGuire Sponsel interviewed all third-party consultants to determine their amount of involvement prior to submitting an IRS tax claim.

STUDY RESULTS

Over a four-year time period, McGuire Sponsel identified \$4.1 million in Qualified Research Expenses (QREs), resulting in \$260,000 in tax credits.

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We conducted an intensive review of all available financial and technical records to ensure this client met the burden of proof requirement for supporting qualified activities and their resulting expenditures.

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– TJ Sponsel
Director
McGuire Sponsel

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