TAX CREDITS GROUP, LLC

CASE STUDY

TCG Helps Medical Device Startup Save $130K in R&D Tax Credits

SITUATION

An Ohio-based medical device start-up company was unfamiliar with the R&D credit and had never claimed it before. Their CPA had contacted TCG to review the company's operations, to determine if its activities would qualify for the R&D credit.

ASSESSMENT FINDINGS

TCG learned that the company was created in 2019, and its focus is on developing ground breaking hardware and software technology, relating to cutting edge medical devices. In 2020, the devices were still under development, so the company had no sales but there was significant R&D expenses in employee wages and prototype materials.

Based on these facts and circumstances, TCG determined this company was a good candidate for an R&D credit study. Despite the fact that the company was not yet profitable and not paying income tax, the company would still able to immediately benefit from the credit by using it to offset a portion of their current year payroll taxes, and they would then be able to carry-forward the excess credit into future years.

OUTCOME

By performing a full R&D tax credit study, TCG was ultimately able to secure the company a federal credit in the amount of $130K. TCG was also able to work with the company to efficiently document the qualifying R&D activities, so to properly substantiate the credit eligibility of each project.

R&D Doesn't Have to Be Rocket Science

(440) 331-0714   TCGTAX.COM   INFO@TCGTAX.COM