

SITUATION

Due to the COVID-19 Pandemic, factories and warehouses throughout the U.S. scrambled to create safe, social distant workspaces while simultaneously combatting massive staffing shortages, and many were struck with the realization that automation of their facilities would be the only way forward.

ASSESSMENT FINDINGS

In direct response to this, an Ohio-based robotic cell manufacturer saw a unprecedented increase in demand for their custom automation and robotic cell services which forced them to quickly pivot from the manufacturing of their existing legacy products, to instead take on new opportunities including the creation of all-new mobile robots, new custom robotic cell projects, integrated robot arms for manufacturing processes and other engineered products. This resulted in a significant increase in engineering hours, prototype supplies, and the utilization of 3rd party contractors who contributed heavily to these engineering projects.

OUTCOME

Recognizing the company's vast increase in the area R&D, their CPA contacted TCG to arrange for an initial R&D scoping session which resulted in a subsequent R&D study. Ultimately, TCG was able to secure the company a \$300k federal credit as well as a \$45k state credit.

This client is anticipating a continual increase in their R&D activities within the robotics and automation market, which is a great fact pattern for future year credit amounts.

