

### SITUATION

An Ohio-based mobile app developer 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 a ground breaking mobile app for the healthcare industry. In 2020, the software was still under development, so the company had no sales but there was significant R&D expenses in employee wages.

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 be 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 to 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 \$60K. 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.

