



## Research & Development Tax Credits



### R&D Tax Credit Eligibility: Do You Qualify?

If your business invests in improving products, developing processes, or solving technical challenges, you may qualify for the Research & Development (R&D) Tax Credit—a valuable opportunity to reduce your federal tax liability.

The guide below explains the IRS's four-part test for R&D credit eligibility in simple terms, helping you determine if your business activities meet the requirements.

#### 1. Process of Experimentation

- The research must be related to identifying and evaluating one or more alternatives to remove uncertainties in products, processes, software, formulas, or techniques.

#### 2. Technological in Nature

- The research must rely on physical or biological sciences, engineering, or computer science principles.

#### 3. Elimination of Uncertainty

- The research must aim to eliminate uncertainty concerning the capability of development, the method of development, or the appropriateness of the design of the new or improved business component.

#### 4. Permitted Purpose

- The research must involve solving challenges to improve function, performance, reliability, or quality.

The R&D Tax Credit isn't just for Fortune 500 companies—it's available to startups, manufacturers, software developers, and even contractors. However, understanding what qualifies is key! Let our experienced advisors at CRI help you navigate the requirements with clarity. Scan the QR code below to learn more about CRI's R&D services and connect with an advisor.



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