



- R&D Tax Credit
- Negotiated Tax Credits
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R&D Tax Credits for the Software Industry

Many owners, officers, and CPAs of software companies are unaware that they are eligible for valuable federal and state Research & Development (R&D) Tax Credits. However, due to the expansive definition of R&D for tax credit purposes, many of the software coding and testing, as well as version improvements, performed by software companies often qualify for such treatment.

Example Qualified Activities:

- Enterprise architecture
- Flowcharting software logic
- Programming software source code
- Improving upon open-source software codes
- Compiling and testing software codes
- Unit, integration, functional, performance, and regression testing

Software Company Case Study:

Item	Average Annual Amount
Gross Revenues	\$ 10,000,000
Total Payroll	\$ 1,850,000
Qualified Research Expenses (QREs)	\$ 1,250,000
Net Federal Credits	\$ 82,500
Net State Credits	\$ 37,000
Total Net Federal and State Credits	\$ 119,500

Please contact BRAYN Consulting, LLC for a **no cost** and **no further obligation Phase 1 Assessment** and to determine your potential tax savings.

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