



- R&D Tax Credit
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# R&D Tax Credits for the Oil and Gas/Energy Industry

Many owners, officers, and CPAs of oil and gas 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 tooling design, extraction technique, and refinery process development projects performed by oil and gas companies often qualify for such treatment.

## Example Qualified Activities:

- Designing new or improved refinery plants and processes
- Developing new or improved extraction processes and techniques
- Designing and testing on and offshore rigs and structures
- Developing new or improved drilling mud formulations
- Improving refinery yield and minimizing scrap and waste
- Designing and manufacturing first article drill bits, pumps, and other equipment

### Case Study: Petroleum Pump Manufacturer

Item	Average Annual Amount
Gross Revenues	\$ 20,000,000
Total Payroll	\$ 3,500,000
Qualified Research Expenses (QREs)	\$ 700,000
Net Federal Credits	\$ 55,000
Net State Credits	\$ 25,000
<b>Net Federal and State Credits – 1 Year Study</b>	<b>\$ 80,000</b>
<b>4 Year Study (3 State)</b>	<b>\$ 295,000</b>

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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