

HOW TO CHOOSE AN R&D TAX CREDIT PROVIDER: ASK THESE EIGHT QUESTIONS

When looking for an R&D Tax Credit Provider, CPAs won't trust just anyone with their clients. Taxpayers are often equally selective. To put both taxpayers and tax professionals at ease, it's crucial to select the right R&D Tax Credit Provider. To find that Provider, start by asking the following 8 questions:

..01 Are You Familiar With My Industry and How the Tax Code Applies?

Here's how Capstan answers the question:

- We're Subject Matter Experts in Architecture, Engineering, Construction, Software Development, Manufacturing, and Life Sciences – we know your industry.
- Attorneys, engineers, and tax professionals -- all well-versed in Federal and State R&D Credit Tax Law --make up our robust R&D division.
- Our multidisciplinary team is R&D-dedicated -- R&D is all we do. That exclusive focus means we have the technical and tax knowledge required to properly address complex Credit issues.

....02 What Kind of Experience Does Your Team Have?

Here's how Capstan answers the question:

- Our team has identified and substantiated over \$800M of R&D Tax Credits in 2,700+ studies.
- We've performed studies in laboratories, airplane hangars, foundries, wineries, manufacturing plants, racecar tracks, and many more – hands-on technical experience in every industry.
- With 25+ years of cumulative experience, we know where the common pitfalls are... and we know how to avoid them.

.....03 How Long Does It Take to Complete a Study, and How Much Time Do You Need From Me?

Here's how Capstan answers the question:

- We strive to minimize "face-time" with CEOs/CFOs as much as possible, asking for an hour of your time at the beginning of the process and perhaps another half hour to wrap things up.
- To further minimize the time burden, we work with the financial documentation you already have.
- Our turnaround time is half the industry average – most reports are delivered within 3-6 months.

.....04 Do You Employ a Comprehensive and Defensible Process?

Here's how Capstan answers the question:

- We employ Project-Based Analysis (PBA) Methodology. In this IRS-preferred approach, we review your projects in detail to confirm that they meet the definition of qualified research under the tax code. We then connect your expenses to specific project activities using documentation you already have, ensuring a fully substantiated credit. The PBA Method is more accurate and more defensible than the purely cost-centered approach.

04

Do You Employ a Comprehensive and Defensible Process?

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Here's how Capstan answers the question:

- We come to you -- in-person or virtually -- and perform a meticulous review of all potential costs. We'll stay as long as it takes -- walking the site, combing the financials, and conducting 100s of interviews -- until we're sure that every possible qualifying cost has been identified. We're mindful of your time, but we're not afraid to take ours.
- We then analyze that data personally. AI software is often woefully inaccurate, and we don't use it. We also eschew the distribution of misleading mass surveys, instead communicating directly with employees to capture fully accurate information.
- You can feel confident that your Credit will be leveraged fully and documented thoroughly, ready to withstand scrutiny in the unlikely event of an audit.

05

Do You Deliver a Report That Meets the IRS' Changing Requirements?

Here's how Capstan answers the question:

- A comprehensive final report is provided that details the full qualitative and quantitative analysis of the expenses used in the credit calculation, including all reviewed data, tables, visual representations of data, project documents, photos, and thorough analysis.
- Supporting documentation is key to successfully claiming the Credit -- all documentation will be organized and provided.
- We stay on top of evolving federal requirements -- if the IRS' standards change, we'll step up our game to make sure your report meets them.

06

Describe Your Approach to Tax Consulting. What Does a Typical Client Relationship Look Like?

Here's how Capstan answers the question:

- We make it our business to understand your business, so we can offer customized advice that speaks to where you are -- and where you want to be.
- Your Project Manager will remain by your side year after year -- most clients return annually to reassess Credit status and discuss strategic planning for business growth.
- We can help you set up systems to claim future Credits more efficiently.
- Plus, we proactively seek out additional tax savings opportunities, working closely with your CPA to provide additional value.

07

What is Your Fee Structure Like -- Percentage-Based? Flat? Time-and-Materials?

Here's how Capstan answers the question:

- We use a transparent flat-fee system based on project scope -- no matter how complicated your project may become, your fee is set at the beginning of the project.
- IRS Circular 230 prohibits Providers from charging fees contingent on a specific result-- if a Provider proposes a percentage-based fee, proceed with caution.

08

Do You Provide Support in the Unlikely Event of an Audit?

Here's how Capstan answers the question:

- Claiming the R&D Tax Credit doesn't increase your likelihood of an audit.
- If you are selected however, audit support services are included in our flat-fee pricing.



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