

Research and development tax credit

Agriculture

You can gain cash incentives for things you do every day

That's right – the federal government provides tax credits for agribusinesses that conduct research and development (R&D) in the United States. Many states also offer incentives.

Because the government's definitions of R&D have broadened in recent years, many of your day-to-day activities likely qualify for the R&D tax credit. You're no longer required to develop technology new to your industry; instead, the regulations require that the technology or process be new to you and your agribusiness.

Qualifying expenditures include:

- Taxable wages paid to employees for services performed in conducting, immediately supervising or directly supporting qualified research.
- Amounts paid for supplies used in qualifying research.
- 65% of the amount paid or incurred by you to any person other than your employees for qualified research.

Real tax benefits await

With deep tax knowledge and valuable experience in the ag industry, you can count on Wipfli's professionals to help you determine if your business qualifies for the R&D credit and how you can use it to achieve greater savings.

R&D tax credits help you develop an effective tax strategy that maximizes your savings and minimizes your risk, helping ensure the future success of your agribusiness. With the R&D tax credit, you can:

- Increase your cash flow
- Gain an immediate source of cash and reduction in current-year tax liability
- Discover permanent tax savings and financial statement benefits

Regulations also allow you to “look back” to all open tax years (typically three years plus the current year) to gain potential credits that you did not previously claim.

WIPFLI

Boost your bottom line and secure greater savings for your agribusiness

Backed by Wipfli's broad resources and industry knowledge, you can leverage R&D tax credits and reap substantial cash flow and reporting benefits.



How can your business qualify for the credit?

Your agribusiness may qualify for the credit if you have done any of the following:

- Develop or improve new techniques for harvesting or developing soil, feeding or breeding livestock, increasing yield upon harvest, protecting crops from disease or improving pest control.
- Develop new strains or cross-breeding that improve nutritional value.
- Develop or improve fertilizers, irrigation systems or custom equipment operating in specific environmental conditions.
- Improve facilities because of environmental or safety efforts.
- Develop and/or implement automated processes.
- Develop monitoring capabilities for field conditions.
- Develop or experiment with new cultivation techniques.

The R&D credit is a maximum of 20% of the costs of these activities over a base amount, which is unique for each business and is determined during Wipfli's analysis.



In 2018, Wipfli helped more than 450 clients save \$50 million in taxes with the R&D credit

From ever-changing market activity to uneven cash flow, you face many challenges as an agribusiness owner. Let the tax professionals at Wipfli help you leverage valuable credits, reduce your risk and increase your savings.

By partnering with Wipfli, your agribusiness benefits from:

- An experienced, national team with extensive knowledge of R&D tax credits.
- Impactful solutions from professionals who thoroughly understand the agricultural industry.
- Efficient, minimally intrusive processes, which allow our team to quickly and effectively identify opportunities.
- An annual review of the current audit environment to determine any changes to documentation processes and help ensure confidence in your tax credit filings.

Discover where R&D tax credits could be hiding in your agribusiness with a no-obligation, no-upfront-cost feasibility analysis. We'll determine an approximate value of the credit due so that you can determine whether moving forward with a full study benefits your business. Credits are typically 7% to 10% of qualified R&D spending.

Let's get started

Contact Wipfli to begin your feasibility analysis.

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