

# The smoother road to R&D tax credits

## R&D TAX CREDITS



**Do you invest in research and development (R&D)? If so, you may be eligible for the federal R&D tax credit and, in many cases, state R&D tax credits as well.** Companies often miss out on these opportunities — which can save them hundreds of thousands of dollars — because they either assume the credits don't apply to them, or that claiming them isn't worth the hassle.

**We can help drive your R&D tax credit recovery efforts.**

R&D HIGHWAY



**At ADP®, our seasoned R&D experts guide you through the process of claiming these valuable tax credits, helping to identify eligible activities and qualified expenses.**

Plus, ADP integrates with most major payroll systems, so you can benefit from our expertise regardless of the systems in place or the size of your business.

The results are undeniable:  
**Our R&D clients have averaged a 400% to 500% return on their investments.<sup>1</sup>**

<sup>1</sup>Individual results may vary.



## Maximize R&D credits for your clients

ADP can help you maximize your R&D tax credits — while helping you comply with all current federal and state regulations.

**So why not take advantage of this vital opportunity? With ADP, it's quick, easy and hassle-free.**



## Passing the toll: Who's eligible?

The federal and state R&D tax credits apply to any company developing new or improved products, processes, software, techniques, formulas or inventions — regardless of industry.

### Software and tech

- Cloud-based applications
- SAAS
- Mobile apps
- Legacy applications

### Manufacturing and design

- Computer and electronic
- Machinery
- Plastics and rubber
- Chemical

### Life sciences and biotechnology

- Medical devices
- Pharmaceuticals
- Therapeutics
- Medical software

### Engineering

- Product design
- Aerospace
- Structural
- Electrical/mechanical

## Check your route



### Which activities qualify?

The following is just a short list of activities that may be eligible for federal and state R&D tax credits.

- Developing or designing new products, processes, formulations or systems
- Modifying or redesigning existing processes or systems
- Researching product and material alternatives
- Developing internal use software and/or applications
- Creating prototypes or pilot models
- Applying for patents on new products and processes



### Which expenses qualify?

If R&D activities are eligible for the tax credit, businesses can offset tax liabilities with qualified expenses, such as:

- Wages paid to employees** performing the activities
- Supplies** (tangible, raw materials) used to conduct the activities
- Cloud computing expenses** used to develop qualified software
- Amounts paid to contractors** involved in the activities

## Start your journey

ADP offers a complimentary assessment during which we'll review your R&D activities and expenses. We'll not only determine whether you are eligible for R&D tax credits, we'll estimate how much you stand to gain by applying.

To learn more, contact an ADP representative or visit [ADP.com/taxcredits](https://www.adp.com/taxcredits)

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