

ADP SmartCompliance[®]

Tax Credits – Research & Development (R&D)



Maximize valuable R&D tax credits without the extra effort

Research and development (R&D) tax credits are a great way to save your organization money. Whether you are a small-to-mid size business or a large enterprise, if you invest in qualified research activities, you may be able to reduce income tax liability or payroll tax liability.

However, the eligibility and documentation requirements to complete are stringent and complex. You need to perform a study identifying, documenting and supporting eligible expenses incurred in conjunction with qualified R&D activities, including contract research, supplies and internal wages. There are also risks of costly Internal Revenue Service (IRS) penalties and/or interest if activities and expenses are not eligible or properly identified and documented.

Complete R&D tax credit solution backed by years of experience

ADP SmartCompliance[®] has deep domain knowledge to help organizations of every size and type identify and capture the information needed for the R&D study. ADP will provide the final study and assemble the supporting documentation needed to help capture the R&D tax credits your company may be eligible to claim.

Save time and reduce your risk of penalties and fees with a more efficient and effective process to document, confirm eligibility and claim the R&D credit. ADP's tax professionals work with most major payroll systems, so you can take advantage of our R&D tax credit and payroll expertise regardless of the systems you have in place today.

LESS THAN 1/3
of the eligible companies
that qualify for R&D tax
credits actually apply for
and secure them.¹

¹2021, ADP internal data

ADP SmartCompliance® for tax credits lets you:

Worry less about risk of non-compliance

- Ensure eligibility with our free initial assessment estimating potential federal and state R&D tax credits.
- Leave the compliance guesswork behind by having ADP maximize identification and capture of your organization's eligible R&D tax credits and mitigating associated risk.
- Receive a thorough study of qualified associated R&D expenses backed by an experienced team to help support claimed credits.

Boost efficiency of efforts

- Maximize eligible R&D tax credits with our success-based fee, which helps ensure performance and success.
- Reduce your workload by having ADP collect and verify wage and payroll information on your behalf, regardless of payroll system utilized.
- Carry forward unused R&D tax credits for up to 20 years.

Advance your potential

- Improve your organization's cash flow with eligible R&D tax credits.
- Receive a tax benefit and dollar-for-dollar tax savings of up to 20% of the eligible R&D spending above a base amount calculated from prior years.
- Claim up to a \$250,000 tax credit against payroll tax liability for qualified small and mid-sized businesses (SMB).
- Help offset Alternative Minimum Tax (AMT) liability for eligible SMBs, which may reduce federal tax liability, regardless if paying regular tax or AMT.



ADP SmartCompliance
R&D tax credit
clients average

4 TO 5 TIMES
return on investment.²










Check your
eligibility
with our

**R&D Tax Credit
Calculator.**

About ADP SmartCompliance®

ADP SmartCompliance integrates with your HCM system to give you a comprehensive solution that's configurable to your company's current and future needs. You'll have the tools to manage and understand the full breadth of your company's HCM compliance activities. You can leverage experts who are veterans of various regulatory agencies. And you'll have professionals with domain expertise in various compliance areas working directly on your behalf.

ADP SmartCompliance® helps with these processes:

-  Employment tax
-  **Tax credits**
-  Wage garnishments
-  Employment verification
-  Unemployment claims
-  Wage payments
-  Health compliance

WorkMarket® helps companies manage their 1099 workforce.  **workmarket**
an ADP® company

² 2016-2018, ADP internal data on service fee to actual R&D Credit value ratio

An ADP representative can recommend the right solutions for you.

For more information visit ADP.com/SmartCompliance or call 855-620-8664.

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