

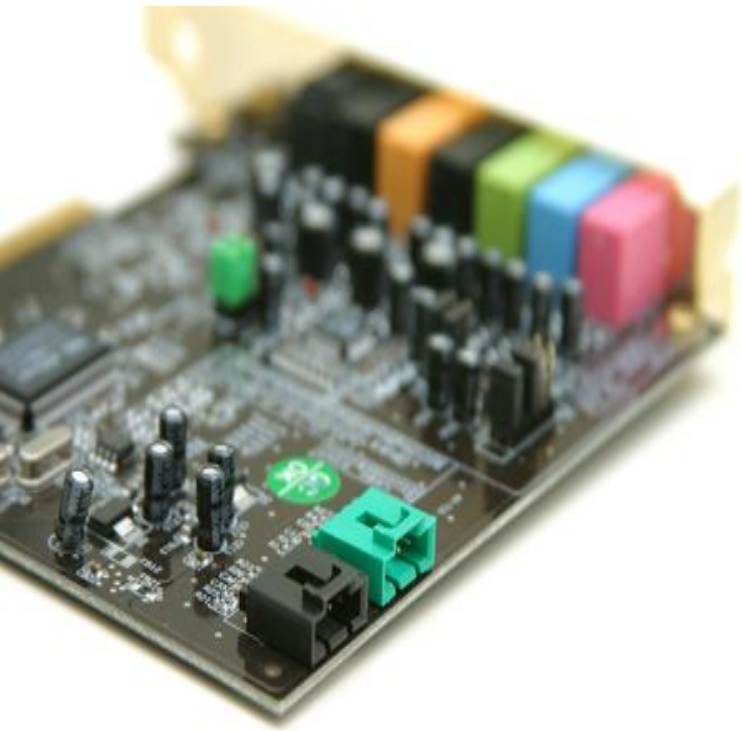
The Miller Group.

Resource Information Xchange, llc

Federal and State Tax Specialists

Research and Development Tax Incentives in the Software Industry.

Is your company fully aware of the opportunities that are waiting to be claimed through the Research & Development Tax Incentives?



- Every successful company is eligible for the Research Tax Credit of some amount. This is especially true for companies with increasing revenue and expanding markets.
- Many common business innovations meet the qualifications standards of IRC § 41 and are eligible for the Research Tax Credit. Creating new products, developing processes, implementing new improved manufacturing methods and writing software for internal use are just a few of the expenses that would qualify for the R&D Tax Credit.
- Federal tax credits provide permanent benefits to drive down tax rates & generate cash flow. You may also be eligible for state and global incentives, depending on where activities are being performed.
- It is essential that companies examine their Research Tax Credit potential as soon as possible to avoid losing dollars from previous tax years.
- Significant Planning Opportunities exist that maximize the Research Tax Credit potential in the future. The Miller Group's R&D Tax Specialists are here to provide the help you need.

CALL THE MILLER GROUP TODAY FOR A FREE CONSULTATION AT 206.855.1700

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Research and Development Tax Incentives for the Software Industry.

Your Opportunity: Software development companies are ramping up their R&D activities as software services and service-oriented architecture take hold in the marketplace. The slow down in consolidation of ERP vendors also is driving greater R&D activity.

The following are examples of software development projects that are likely to include qualified research activities:

- Developing digital applications that may include software such as mobile communications software for delivering multimedia entertainment, video or Internet games that are increasingly interactive and with more realistic graphics, or multimedia communications software in support of digital, high-definition, or interactive entertainment
- Improving security solutions such as electronic surveillance with software that can cull through massive amounts of raw video, voice, & internet data, & then analyze & interpret that information providing better risk management solutions and analytics to support financial services through the use of simulations and the design and incorporation of complex mathematical models
- Using collaborative innovation techniques, such as shared bookmarks and survey rankings, around technologies like search engines for web based environments
- Developing flexible, high-quality, and scalable rules engines to manage and automate complex business rules and workflow
- Developing message-oriented middleware and information brokers capable of handling a synchronous communications with near real time or synchronous results
- Managing customer relationships better through improved collection, storage, and analysis techniques
- Managing schematic, semantic, and contextual differences for different interoperability environments
- Integrating software functionality that can affect a tightly-coupled database such as enterprise resource planning systems

Determining the cost of R&D is often difficult, as few companies have a project accounting system that captures many of the costs for support provided by personnel who collaborate on R&D. The typical project tracking system would not include all contractor fees, director support costs, or salaried personnel who participate in the research effort.

For example, personnel on new product launch teams who participate in specifying in prototype development and testing may include marketing, regulatory affairs, product safety and evaluation, micro-biology, clinical supplies, chemistry management, packaging technology, manufacturing, instrumentation, and even sales.

The Miller Group Approach: The Miller Group is exclusively dedicated to R&D tax issues and specialize in particular industries, including the software industry. Our focus provides us with an unusual depth of experience. We also work in an efficient and nonintrusive manner so that you can stay focused on business.

R&D Tax Credit Projects: Introductory tax credit potential analysis studies may be performed, but are often unnecessary. In a full project, The Miller Group performs extensive field work, collect supporting records and create comprehensive documentation to support maximum, durable tax filings. We provide support under review by IRS or State tax authorities.

Our goal is to provide the maximum allowable tax credits with the minimum impact on critical day to day operations. Our approach establishes a process that your tax function can replicate and use to reduce future tax compliance costs and burden (see RIX Technology).

We Offer: Extensive experience providing services to privately owned companies as well as Fortune 500 companies.

Deep technical knowledge in this complex area. RIX Technology. A proprietary (patent pending) software product for tax credit documentation approved by the IRS.

Please call us for a free consultation at 206.855.1700.