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FOOD PROCESSING

Typical activities of food processing companies that qualify for the R&D tax credit include:

- New product development, and product improvements or enhancements
- Experimenting with different ingredients or formulations to reduce costs and improve preservation
- Experimenting with different parameters or processes to cook or prepare food to achieve certain advantages
- Developing new or improved packaging
- Developing methods to extend product shelf-life
- Developing improvements to manufacturing processes to be more efficient, increase equipment uptime, and reduce cycle-times
- Development of automation to replace manual processes
- Developing new manufacturing processes or equipment, or improving manufacturing processes or equipment

How the R&D Tax Credit Works for You

Research and Development Tax Credits are available to a wide variety of industries at both the Federal, and in most cases, the state level. The incentives are designed to encourage U.S. companies to maintain their competitive advantages through continued innovation and improvements. The credit applies to a number of areas within your business including some salaries, materials, and contract services for qualified activities.

R&D Minimum Requirements for Eligibility:

1. The project must be intended to be useful in the development of a new or improved business component, such as a product, process, technique, formula, invention, or software.
2. The project must be undertaken for the purpose of discovering information that is technical in nature. Thus, the activity must rely on the principles of physical sciences, such as engineering, biology, or computer science.
3. The project must be intended to eliminate uncertainty related to the development or improvement of a business component. Uncertainty can include capability, development method, or optimal design of the business component.
4. The project must evaluate one of more alternative solutions through the development, refinement, and testing of different options.