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VIDEO GAME DEVELOPMENT

Typical activities of video game development companies that qualify for the R&D tax credit include:

- Concept ideation, wire framing, and story-boarding
- The development of functional specifications and design requirements for new games
- The design and development of new game engines, or the development of software solutions to integrate new or improved game engines
- Experimentation with physics and other rules-based environmental algorithms.
- Experimentation with the rendering of processing of graphics for 3D immersive world experiences and the development of techniques for the optimization of the display
- The development and integration of expansion packs
- The design and development for the processing of communications and interactions to support on-line games with multi-player modes
- Development of techniques and methods to leverage the capabilities and maximize the performance of hardware systems.
- The design and development of the underlying software architectures
- Programming and software code development, specifically alpha and beta prototype development testing
- The development of test cases for functionality and performance analaysis
- Design, prototype development and testing of cabinents, enclosures, and accessories for arcade style games.

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.