



Since 1996, Axiom Solutions has helped companies better understand their business, improve their profitability and improve their competitive advantage. How? By combining a comprehensive understanding of business engineering and in-depth tax expertise to determine, calculate and substantiate qualifying activities under the latest tax laws.

Our business engineering and tax expertise helps companies dig deeper and locate credits that fuel investments in new products and processes. Our people work closely with mid-market companies to identify daily activities that qualify for credits which lower their tax liabilities, improve the financial condition of the company and enable company growth. Axiom means profitability and competitive advantages to your business.



**AXIOM HELPS COMPANIES BECOME MORE PROFITABLE AND COMPETITIVE.**

## **THE OPPORTUNITY: TAX CODE CHANGES ALLOW MORE BUSINESSES TO QUALIFY FOR TAX CREDITS**

*Research and Development Tax Credits have been in place for 25 years. But for the majority of companies, the credit was virtually inaccessible. In late 2003, the Federal Government expanded the R&D Tax Credit laws to allow a greater number of businesses to recoup a portion of their tax liabilities for activities related to business and product improvement. With these recent changes, your company may be eligible for tax credits for any open tax year.*



### **Many Businesses Don't Know They Qualify for the Credit**

Most businesses invest heavily into product or process improvement simply to meet market demand. Many of these businesses are not aware that tax code changes allow them to recover money spent on daily activities.

By recapturing a percentage of those dollars and reinvesting them back into your business, the R&D Tax Credit is designed to help you stay competitive.

In addition to the tax deduction for R&D expenses, the tax credit is an actual dollar-for-dollar reduction against taxes currently owed and taxes previously paid. This means that the IRS will send your business a refund check for taxes paid on qualifying activities.

### **What Types of Activities Qualify for R&D Tax Credits**

The credit is derived from qualifying expenses in three broad categories: salaries & wages, supplies, and contractor fees when a new business component is developed or an existing business component is improved. Generally, a business component can be a product or a process, and can include any one of the following:

- Introducing new or improved products or processes
- Manufacturing products
- Developing prototypes or models (including computer generated models)
- Designing tools, jigs, molds, and dies
- Developing or applying for patents
- Conducting testing of new concepts and technology
- Developing and introducing new technology
- Attempting the use of new materials and compounds
- Adding new equipment (labor and engineering cost aspects)
- Automating and/or streamlining internal processes
- Developing, implementing or upgrading systems and/or software
- Developing production control software
- Improving or building new manufacturing facilities
- Expending resources on outside consultants / contractors to do any of the above stated activities

### **Axiom – A Unique Combination of Engineering and Tax Expertise**

At Axiom, we apply business process engineering and tax accounting expertise to identify, quantify and substantiate activities that qualify for Federal and State Tax Credits with the average credit being hundreds of thousands of dollars! If your business is improving its products or processes to compete in today's marketplace, chances are good that you qualify for tax credits.

### **Axiom Works Closely with Your CPA**

Axiom is not a general accounting firm. We are specialists in Tax Credits and provide this expertise to CPA firms as a value-added service. It is virtually impossible for a general Accounting firm to understand the nuances of the entire tax code. Axiom develops close relationships with CPAs and helps them fully understand the mechanics of the credit so they can become a greater business resource for you.



## AXIOM TAX SOLUTIONS SERVICES OVERVIEW

### Research and Development Tax Credit Study

The R&D Tax Credit Study is Axiom's flagship service. Our proven approach makes the process of recovering your R&D Credit dollars efficient and low-risk. Axiom works closely with your team to identify qualifying activities in an unobtrusive yet comprehensive manner. We perform calculations, create supporting documentation, and work with your financial partners to ensure the proper filing of your returns. Once the returns are filed, you should expect a check from the IRS in about 90 days.

### Client Benefit Examples

Axiom has worked with hundreds of clients of all sizes across a broad scope of industries. Here are a few examples of client cases and the credits they received.

Client	Revenues	Credit
Plastic Injection Molders	\$9M	\$250,000
Electronics Mfg.	\$25M	\$280,000
Tool, Die, Mold Mfg.	\$20M	\$1,100,000
Food Mfg.	\$75M	\$950,000
Specialty Equip. Mfg.	\$100M	\$1,280,000
Software Developer	\$3M	\$360,000

### International Manufacturing Credits

To stay competitive in today's global market, a manufacturer must do everything possible to keep their costs at a minimum. To do so, many companies have moved their manufacturing operations to countries such as Mexico and Canada. These countries provide substantial financial incentives to encourage foreign investors to perform research and development activities in their country.

The process of recovering those financial incentives can be a daunting task considering language barriers, bureaucracies, legal systems and more. Axiom has the expertise and the resources to navigate complex international government entities to help you apply for and get the available tax credits.

### Empowerment Zone and Renewal Community Credits

As part of the Urban Renewal Acts in the 1990's, economic incentives were created to foster business development investments in over 185 Urban and Rural areas. Axiom can help businesses located in Federal Empowerment Zones and Rural Renewal Communities recover tax credits of up to \$3,000 per employee.

## WORKING WITH YOU

### Unobtrusive Process

Axiom makes the process of accessing R&D Tax Credit dollars straightforward and cost effective. Based upon a review of your tax returns, we will initially calculate the potential for R&D Credits and give you an estimate of the amount of your credit. Once engaged, the Axiom team will occupy the least amount of time possible to gain the highest quality of information from your team.



### Flexible Fee Options

Axiom provides you with several options regarding fee structures. Most businesses choose a risk-free, success based fee structure that is calculated as a percentage of their after-tax return. If there is no credit – there is no fee. And, you have the option to disengage and incur no fees or penalties.

### Customer Comments

*"My passion is to see US-based manufacturing thrive once again and this federal tax incentive program is one of the few opportunities available to us to help us level the playing field in the competitive world market. It is my pleasure to recommend Axiom Solutions."*

*-- Dan Yahrous, Owner, Modern Industries,  
former President of the National Tooling and Machining Association*

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## **ABOUT AXIOM SOLUTIONS**

Axiom Solutions is a leading Research and Development Tax Credit Service provider. Founded in 1996 as an engineering consulting firm, Axiom has developed into a premier professional services firm whose mission is to help businesses increase their value by decreasing their tax liabilities and lowering their cost and production expenses.

Our staff includes some of the industry's most experienced and talented tax professionals, business analysts, engineers, and tax attorneys. Our pragmatic and thorough approach ensures that your project will be managed with the highest degree of professionalism, accuracy and integrity.

### **Axiom Solutions locations**

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