

R&D Tax Credit Extended Through 2009

By Mark Lauber

Dated: Oct 30, 2008

The US Congress passed the Emergency Economic Stabilization Act of 2008 (EESA) today. As part of the EESA, the R&D Tax Credit (Research Credit) was extended through 2009. This means it will apply to tax years 2008 and 2009.

The US Congress passed the Emergency Economic Stabilization Act of 2008 (EESA) today. As part of the EESA, the R&D Tax Credit (Research Credit) was extended through 2009. This means it will apply to tax years 2008 and 2009.

The R&D Tax Credit drives billions of dollars in economic activity and keeps thousands of high-skilled jobs here in the US. The R&D Tax Credit had expired at the end of 2007 and had failed several times previously to be passed as parts of other bills in Congress.

Within the R&D Tax Credit, the Alternative Simplified Credit has been increased from 12% to 14% for tax year 2009. This is a significant change.

According to Saqib Dhanani, a Principal with Paradigm Partners, “This is will provide the ability of many more companies to take advantage of the R&D Tax Credit. The credit is an incremental credit from a fixed base percentage which was difficult to establish. So, the change eliminates the need to establish the fixed base percentage and companies now will almost always be able to take advantage of the credit”.

###

Paradigm Partners is a national tax services firm aiming to deliver government sponsored incentives to small and mid-sized companies.

We specialize in the Research and Development Tax Credit (R&D Tax Credit) and Cost Segregation Studies.

| | |
|----------------|---------------------------------------|
| Category | Accounting, Manufacturing |
| Email | Click to email author |
| Phone | 281-558-7100 |
| Address | 14825 St. Maryâ€™s Lane, Suite 102 |
| City/Town | Houston |
| State/Province | Texas |
| Zip | 77079 |
| Country | United States |