

CONSTRUCTION  
INDUSTRY

## CASE STUDY:

# Construction Firm Generates Excess Tax Savings through R&D Study

### ABOUT THE CLIENT

The client is a family-owned and operated construction business specializing in the fabrication and installation of fully engineered architectural exterior wall systems. The business employs more than 200 and has more than 100 years of combined experience in façade systems.

### THE CHALLENGE

The company was making significant investments in technology and new fabrication processes. It was expecting a significant return on its investment and looking to recoup costs for improved profitability.

### THE GOAL

Marcum's mission was to determine whether the company's ongoing investments to achieve greater efficiencies in the fabrication and installation of engineered building systems (in order to improve performance and meet the increasingly steep demands of property owners) could be leveraged to generate tax savings.

### THE PROCESS

Marcum assembled a cross-disciplinary team from its Construction Services and Research & Development Tax Credit groups to evaluate potential tax savings opportunities. The team recommended a study focused on identifying qualified research and development activities and associated expenditures eligible for federal tax credits, over a three-year look-back period. The Marcum team's combined technical tax and construction industry expertise made it easier to direct the approach to the company's unique construction-focused research and development activities.

### THE SOLUTION

Marcum's three-year study of the client's R&D activities uncovered eligible expenses resulting in federal tax credits in excess of \$688,000. Tax-beneficial R&D credits will continue in each year the company continues to engage in qualified R&D activities.

