


TAX CREDIT CO.

Tax Incentive Consulting,
Administration & Technology

Tax Credit Co. is a national provider of tax incentive consulting, administration and technology, earning over \$1B in credits for small business to Fortune 100 companies. In business for 18 years, Tax Credit Co. helps clients increase earnings by optimizing the process of obtaining a broad range of state and federal tax incentives including: Work Opportunity Tax Credit, Enterprise Zone Credits, R&D Credits, Training Grants, Hiring Incentives, Business Expansion Incentives, Sales and Use Tax and other programs.

Are your clients getting the state and federal tax credits they deserve?



Tax Credit Co. has helped its clients offset their tax liabilities with over \$1B in credits to date

Tax Credit Co. provides tax incentive consulting, administration and technology for small business to Fortune 100 companies. For over 18 years, Tax Credit Co. has been helping clients increase earnings by optimizing the process of obtaining a broad range of state and federal tax incentives.

TAX CREDIT CO. BRINGS WHAT OTHERS CAN'T

- Fortune 500 experience in all major industries
- Technical depth in key industries, major accounting firm experience, with 100+ staff members
- Proprietary technology platform built to scale, reducing burden on client processing
- Dedicated support resources to ensure client success, including a 24x7, bilingual call center

KEY PROGRAMS

- Research & Development Credits
- Work Opportunity Tax Credits
- State and Federal Hiring Incentives
- Training Grants
- Business Expansion Incentives
- Green Energy Incentives
- Cost Segregation
- Sales/Use Tax Recovery

ASK FOR AN IN-HOUSE SEMINAR

- Complimentary CPE lunch – at your office
- Hear an overview of these popular incentive programs
- Learn how to identify when your clients qualify, and the basics for calculating these credits and deductions
- Find out about recent cases and legislation that will impact the programs and credit calculations
- Get tools and materials to use with your clients

WE WORK CLOSELY WITH CPA FIRMS

- On-site CPE on popular tax credit programs, to help you determine when your clients are eligible
- Complimentary tax credit value assessments for your clients
- Competitive terms, including contingency fees when permitted

For an on-site CPE seminar, call 800-481-0669, or visit TaxCreditCo.com

TAX CREDIT CO.

Identify the Programs That Create the Most Value for Your Clients.

Program	Value	What to look for
State and Federal Hiring Credits (WOTC, HIRE Act, Empowerment Zones)	\$20k to \$350k per year (\$100 per hire)	<ul style="list-style-type: none">▪ Retail, Manufacturing and Service Industries▪ Large front line employee base▪ High growth or turnover rates▪ Location in or near empowerment or enterprise zones
Research & Development Tax Credits	\$50k to \$500k per year	<ul style="list-style-type: none">▪ Architecture and Engineering – design, calculations or modeling▪ Manufacturing, Distribution, Food, Software Development and Sciences – product development, prototypes, performance testing, process improvement, research or lab testing▪ Entertainment – computer generated special effects
Job Training Incentives	\$50k to \$350k per year	<ul style="list-style-type: none">▪ Companies in Arizona, California, Massachusetts & Florida▪ Industries with higher wages / skills sets and job retention, including manufacturing, high-tech, healthcare, and financial▪ 1 week or longer training program
Negotiated Business Expansion Incentives	\$100k to \$1M+	<ul style="list-style-type: none">▪ Planned or potential expansion or business relocation▪ New facilities, or potential facilities closure
Sales & Use Tax Recovery	\$10k to \$300k per year	<ul style="list-style-type: none">▪ Manufacturing, Financial Services, Healthcare and Technology▪ Any company with an accrual schedule for sales tax▪ Major software purchases
Cost Segregation	\$100k+	<ul style="list-style-type: none">▪ Recent purchase or acquisition of a new facility▪ Remodel, renovation or build out of a facility▪ Size of 30,000 sqft or larger
Energy Incentives (179D)	\$50k+	<ul style="list-style-type: none">▪ Recent renovation or remodel of a building
Domestic Production Activities Deduction (Section 199)	\$10k to \$300k per year	<ul style="list-style-type: none">▪ Engineering and architectural services, or construction services▪ Manufacturing or selling/leasing items produced in the US▪ Selling, leasing, or licensing motion pictures produced in the US

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Recognizing That Your Company May Be Entitled to an R&D Tax Credit is Often the Greatest Challenge



ABOUT THE R&D TAX CREDIT:

- Originally passed by Congress in 1981 to keep development jobs in the U.S.A.
- Dollar for dollar credit for 5-13% of Qualified Expense to reduce tax
- Credits can be calculated for prior years and saved for high tax years
- Over 40 states with additional R&D credits

DOES YOUR BUSINESS QUALIFY?

Qualifying criteria:

Do you incur expenses to design, develop, research or manufacture a new or improved product, process, or software?

Qualifying activities:

Eligible activities include the iterative design and development efforts performed to reach your product's specifications, such as new or improved function performance, quality or reliability.

TAX CREDIT CO. BRINGS WHAT OTHERS CAN'T

- **Technical specialization:** Licensed tax specialists and experts, with an average experience of 14 years exclusively in the R&D credit, staffed on every project
- **Fortune 500 depth:** We innovate with industry leaders and develop approaches that can work for small and medium businesses
- **Pre-Filing Agreement specialization:** Unparalleled success with the IRS' PFA process in diverse industries
- **Industry depth:** Engineers, statisticians, chemists, and computer scientists who understand your industry
- **Independent project managers:** Consistently delivering our work on time and under budget
- **Proprietary processes:** Utilizing data and documentation that establishes nexus rather than subjective assessments

MID MARKET CASE EXAMPLES

Client	Revenue	Credits
Materials	\$ 12.8M	\$ 894k
Manufacturing	\$ 41.5M	\$ 1.9M
Automation	\$ 4.1M	\$ 155k

Credits worth 5-13% of Qualified Research Expense

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Attention Employers: The Work Opportunity Tax Credit Rewards You for Hiring



ABOUT THE WORK OPPORTUNITY TAX CREDIT

Work Opportunity Tax Credit (WOTC) is a federal tax credit that reduces federal income tax liability of for-profit employers. Qualified hires fall in these categories:

- Temporary Assistance for Needy Families (TANF) recipients
- Veterans/Disabled Veterans
- Ex-felons
- Residents (age 18 to 39) of an Empowerment Zone or Rural Renewal County
- Vocational Rehabilitation Agency Referrals
- Summer Youth (age 16 to 17) living in an Empowerment Zone
- SNAP (Food Stamp) Recipients (age 18 to 39)
- Supplemental Security Income Recipients
- Long-Term Family Assistance Recipients

MAXIMUM CREDIT AVAILABLE: QUALIFIED HIRES

- \$1,200 for each new Summer Youth hired
- \$2,400 for each new hire, including Veterans receiving 4 weeks to 6 months unemployment compensation within 1 year prior to hire
- \$4,800 for each new Disabled Veteran hired within 1 year of discharge/release
- \$5,600 for each new Veteran hired receiving at least 6 months unemployment compensation within 1 year prior to hire
- \$9,000 for each new Long Term Family Assistance Recipient hired over a two year period
- \$9,600 for each new Disabled Veteran hired receiving at least 6 months unemployment compensation within 1 year prior to hire

HOW DOES THE PROGRAM WORK

Every for-profit company is entitled to apply for this credit, but doing this on your own isn't easy. Companies must:

- Screen applicant on or before first day of hire
- Document all qualifications and file form 8850 within 28 days of hire
- Prove a minimum 120 hours worked for each claim
- Work with each state agency to certify hires

HOW CAN TAX CREDIT CO. HELP

With our automated platform, support infrastructure and proprietary databases, it's easy to claim this credit.

- Setup is quick as we have many pre-built integrations to popular recruiting and payroll systems
- Our platform operates as a seamless process to capture the most potential credit
- We offer 3 screening methods: online, telephone-based "call-in" through our 24x7 call center, and a paper process
- We handle all the application processing with state and federal agencies

For a complimentary assessment, call 800-481-0669, or visit TaxCreditCo.com

Did You Know Your Address Can Earn You up to \$3,000 in Tax Credits per Qualified Employee?



ABOUT THE OPPORTUNITY

It is a federal income tax credit that encourages employers to locate in either the Empowerment Zone or the Renewal Community and hire individuals who also live in the designated zone.

Credits are also available for:

- New hires living in the zone
- New hires under age 40 living in designated areas
- Qualified veterans
- Public assistance recipients

Your business may also be eligible to receive:

- 0% tax on capital gains
- Accelerated depreciation

MANY AREAS ARE CONSIDERED ELIGIBLE

There are over 70 designated Empowerment Zones and Renewal Communities around the country. Our Geographic Information System (GIS) automatically determines eligibility by address, and we can help you determine if your business is eligible.

WHO GETS THE BENEFIT

If your business is a C Corporation, the company will receive the benefit. If you are an S Corporation, Partnership, LLC or Sole Proprietorship, the owner can claim the credits on their individual Federal tax return. The benefit can be taken annually starting from the date of zone designation, and the IRS allows credits for prior years as far back as you have open tax years

HOW TO APPLY

We offer a complimentary assessment to determine your eligibility for the program. If you qualify, we will complete the application process for your company and its employees, maintain all documentation electronically, and calculate your annual benefit.

WORK WITH US AT NO RISK

Our tax deductible fees are based on a percentage of the credits we secure.

YOU DON'T PAY UNLESS YOU RECEIVE THE BENEFIT

TAX CREDIT CO. ADVANTAGE

- We screen exhaustively, covering existing and former employees leveraging our technology to determine eligibility
- We perform individual benefit calculations on each hire
- We prepare all supporting documentation
- We support our calculations in the unlikely event of an audit

For a complimentary assessment, call 800-481-0669, or visit TaxCreditCo.com

Building or Renovating? You Might Be Going Green. Saving Energy Can Also Mean Saving on Taxes.



ABOUT THE 179D DEDUCTION

Maximum Deduction – \$1.80 per square foot = 50% reduction in total annual energy and power costs (compared to a reference building that meets the minimum requirements of ASHRAE Standard 90.1-2001) not to exceed the amount equal to the cost of energy efficient commercial property placed in service during the taxable year

Partial Deduction – \$0.60 per square foot / per system for reduction of energy consumption through building envelope, HVAC, and lighting

Partial Deduction (interim lighting) – From \$0.30 to \$0.60 per square foot = 25 – 40% reduction in lighting power density (50% in the case of warehouses)

TIME FRAME FOR ELIGIBILITY

Properties placed in service (New Construction or Renovation) after December 31, 2005 but before January 1, 2014

EFFICIENCY IMPROVEMENT REQUIREMENTS

Must reduce total annual energy and power costs with respect to the interior lighting systems, heating, cooling, ventilation, and hot water systems. Partial deductions are allowed. Energy simulation is required to justify the deduction; inspection and testing must be completed by a qualified engineer or contractor registered in the jurisdiction.

IMPROVEMENT REQUIREMENTS BY DATE

System:	Lighting	HVAC	Envelope	Building
2006 Revision	16 2/3%	16 2/3%	16 2/3%	50%
2008 Revision	20%	20%	10%	50%
2012 Revision	25%	15%	10%	50%

WHO QUALIFIES

Building owner at the time of building improvements:

- Commercial buildings (any size)
- Apartments, four or more stories, for lease
- Commercial energy renovations

Public Buildings – The owner may allocate the deduction to the designer (architect, engineer, contractor, environmental consultant, or energy services provider)

HOW DO I APPLY

Tax Credit Co. offers a complimentary assessment to determine your eligibility. If you qualify, we can deliver:

- Federal Tax Deduction (FTD) certificate package – requires documentation for deduction
- Review of existing T-24 or IECC to verify compliance with current code requirements
- Review of the building’s lighting, HVAC, and envelope systems for FTD qualification
- Contract for analysis and certification documentation

For a complimentary assessment, call 800-481-0669, or visit TaxCreditCo.com

It May Be Complicated – But It’s Still a Deduction You Ought to Be Taking.



ABOUT THE DPAD PROGRAM

Companies engaged in manufacturing and other qualified production activities are eligible to take a tax deduction of up to 9% from net income.

Domestic Production Activities Deduction Calculation	
	Qualified production activities income (QPAI)
Minus (-)	Qualified production activities expenses
Equals (=)	Qualified production activities net income
Times (x)	The QPA deduction amount
Equals (=)	The Tentative QPA Deduction

ELIGIBILITY FOR THE SECTION 199 DEDUCTION

Based on the IRC Section 199, companies involved in the following types of business may qualify for the Domestic Production Activities Deduction:

- Manufacturing based in the United States
- Selling, leasing, or licensing items that have been manufactured in the United States
- Selling, leasing, or licensing motion pictures that have been produced in the United States
- Construction services in the United States, including building and renovation of residential and commercial properties
- Engineering and architectural services relating to a US-based construction project

CAPTURING THE FULL BENEFIT IS NOT EASY

Many leading tax preparation software packages take an oversimplified approach to the deduction that yield sub-par results. It’s possible to not only under-claim, but to claim incorrectly and increase the chances of an audit. There can be several challenging aspects:

- Selecting the appropriate methodology
- Determining what are domestic vs foreign costs
- Defining what constitutes substantial value

WORK WITH TAX CREDIT CO.

- TCC puts a focus on the ever-changing legal landscape pertaining to this specific deduction
- TCC has experience in this deduction, and with the expenses associated, and can help make many of the challenging determinations
- TCC is able to evaluate allocation strategies that CPAs may not have experience with
- TCC will assemble a detailed audit package for clients, because deduction has the potential to be audited
- TCC can consider development/application of new allocation methodologies when justified by facts/circumstances

Invest in Your Employees: Offset the Cost With State Funded Training Grants



TRAINING INCENTIVE PROGRAMS

Training incentives are typically funded through unemployment taxes, and offered to businesses by state and local authorities

- Incentives in form of grants, contracts or tax credits to help offset the cost of training
- Generally awarded before training occurs and received by a business after completion
- Aim to increase trainee wages, job retention, skill sets and/or industry growth

VALUE TO YOUR BUSINESS

The award is usually granted based on the merits of the application and at the discretion of the issuing authority. The size of the award primarily driven by:

- Trainee Wages (trainees x wage rate x hours in training)
- Instructor Costs (instructor wages for preparation and instruction)
- Materials and Facilities (book costs, materials licensing, facilities rental)

**Some state programs award
up to \$1.5M per business**

CANDIDATES FOR INCENTIVES

Businesses operating in any of the 38 states with incentive programs. Top programs are in:

- California
- Arizona
- Florida
- Massachusetts

Programs favor high wages, skills sets and job retention. Target industries include:

- Manufacturing and/or Distribution
- High-tech, Biotech, Healthcare
- Information Services
- Finance and Insurance

CONTACT TCC TO GET STARTED

We work 1 on 1 with your team to apply for and maintain compliance to training incentives

- 14 years of expertise in training grants and credits across many state programs
- Great relationships with different state administrative agencies
- \$300,000 average credit per engagement
- 75% utilization rate (vs avg of 40-50%)
- Zero grant applications denied - ZERO!

Breaking New Ground ...

Secure the Incentives That Help Grow Your Business



BUSINESS EXPANSION INCENTIVES

Tax Credit Co. is breaking new ground in tax credits and incentives. Our firm provides tax credits and incentives negotiations for businesses that expand, downsize, or consolidate operations in the United States.

We can help you secure incentives to move across the country or, potentially, to stay in place and retain your current workforce. You can focus on expanding or changing your business while we focus on the many incentives that can help you get there:

- State and local tax credits
- Cash economic development grants
- Infrastructure grants
- Training and retraining incentives
- Real and personal property tax abatements
- Sales tax exemptions
- Utility rate reductions
- Subsidized land and buildings
- Low-cost financing
- Fee waivers

**There are many programs
that can offer \$1M+ to help a
growing business**

YOUR COMPANY IS UNIQUE

Our solutions are uniquely-tailored to your situation. Our goal is to build an incentives package before you build your site, move your location, or restructure your company. Once in place, we see the package all the way through to completion.

THE TAX CREDIT CO. DIFFERENCE

Today, seeking incentives is no longer a boilerplate process of selling your company's attributes to economic development. Tax Credit Co. excels at generating optimal incentives offers for our clients.

- We have a deep and dynamic understanding of the continuum from site selection through cash realization
- We work with our clients from negotiation through final compliance, including pitfall mitigation and audit processes
- We employ a proprietary process of research, statistics, comparables, and recognition of state and local program nuances
- We expand incentives negotiations to encompass the evolving competitive, environmental, industrial, and technological factors that generate awards far beyond the standard "packages"

For a complimentary assessment, call 800-481-0669, or visit TaxCreditCo.com

Purchased, Built or Remodeled Recently? Cost Segregation Can Accelerate Your Tax Benefits.



TAX BENEFITS OF COST SEGREGATION

Cost segregation studies and purchase price allocations identify and reclassify building components into the appropriate MACRS tax depreciation categories. We identify, using IRS and Tax Court decisions, those assets that qualify for accelerated depreciation through the use of shorter tax life depreciation schedules.

These benefits include:

- Maximize annual depreciation
- Reduce upfront income tax costs
- Lower cost of capital
- Improve cash flow
- Improve shareholder value
- Ability to write-off individual assets in future when removed

COST SEGREGATION HELPS OWNERS THAT:

- Purchased real property since 1987
- Constructed a new facility since 1987
- Installed leasehold improvements, renovated, expanded or restored an existing property
- Paid federal income tax on these properties

WE CAN TAKE CARE OF THE DETAILS

In our Cost Segregation Study, we follow a structured methodology to analyze building plans, make onsite visits, document our findings and produce a detailed report consisting of

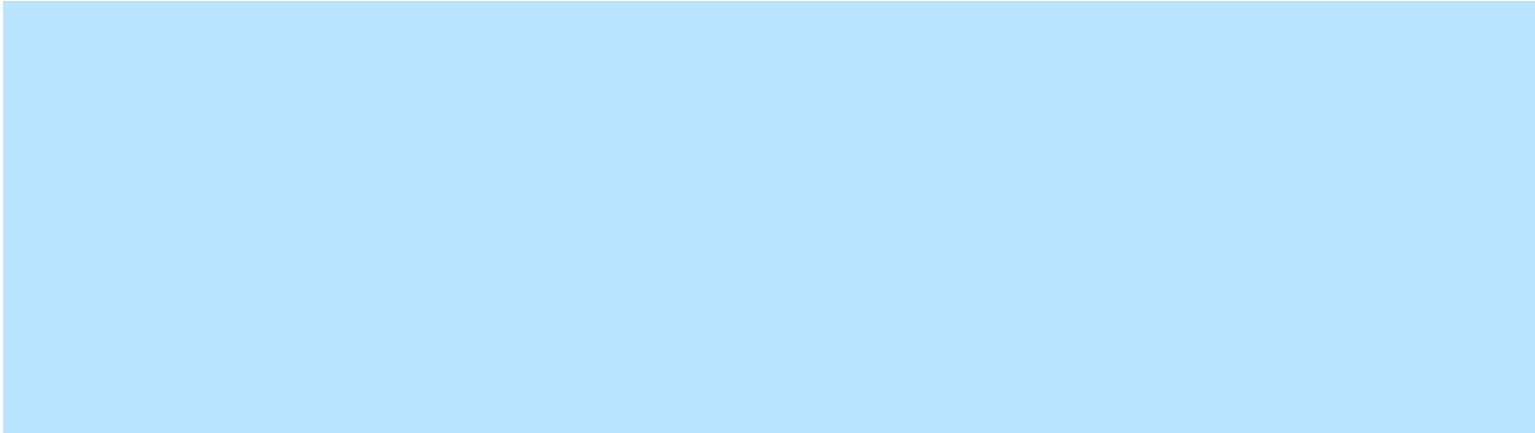
- An overview of the property, purpose of the analysis, and the approaches used to perform the work
- Our conclusions for the asset values, photographs of the property, and schedules describing the assets and summarizing the results
- Summary Schedules - segregated among 5, 7, 15, and 39 year class life property
- Detailed Schedules - arranged by class life and including asset description and allocated values

YOU TAKE THE BENEFITS

You can gain \$0.20 on every \$1 of reclassified cost in after tax benefits!

Contact Tax Credit Co. Today to learn more about Cost Segregation, and for a complimentary assessment of your property

For a complimentary assessment, call 800-481-0669, or visit TaxCreditCo.com



SALES & USE TAX RECOVERY

Identifying Clients That Could Benefit From the R&D Tax Credit

You can export the last filed tax returns from your internal software platform limited to the following fields. This will allow us to jointly identify prospects for the R&D Tax Credit, without divulging client names, partner or preparer identification.

Data Element	S Corp 1120S	C Corp 1120	Partnership 1065
1. Client No.	Internally Generated	Internally Generated	Internally Generated
2. Partner or Preparer No.	Internally Generated	Internally Generated	Internally Generated
3. Business Activity (Code)	Page 1 - B	Schedule K Line 2a	Page 1 - C
4. Date Incorporated / Started	Page 1 - E	Page 1 - C	Page 1 - E
5. Total Assets	Page 1 - F	Page 1 - D	Page 1 - F
6. Number of Shareholders / Number of K-1's	Page 1 - I	N/A	Page 1 - I
7. Gross Receipts less Returns	Line 1c	Line 1c	Line 1c
8. Compensation of Officers	Line 7	Line 12	N/A
9. Salaries and Wages	Line 8	Line 13	Line 9
10. Guaranteed Payments to Partners	N/A	N/A	Line 10
11. Ordinary Business Income/Taxable Income	Line 21	Line 30	Line 22
12. Total Tax	N/A	Line 31	N/A
13. Cost of Goods - Labor	Schedule A Line 3	Schedule A Line 3	Schedule A Line 3
14. Form 4626 - Alternative Minimum Tax	N/A	Form 4626, Line 12	N/A
15. Form 6765 - Research Credit	Form 6765, Line 63	Form 6765, Line 63	Form 6765, Line 63
16. Section 179 Deduction	Schedule K Line 11	N/A	Schedule K Line 12

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