

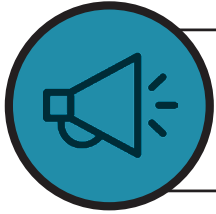
ROUNDTABLE WHITE PAPER

WEDNESDAY, JUNE 17, 2020 | 12:00-4:15PM EST

JUNE 2020



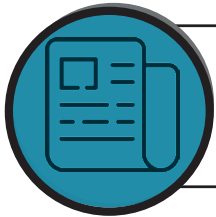
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How to Claim and Sustain the Largest R&D Tax Credits Possible with the Least Amount of Work!

Jason Massie and Peter Green
MASSIE R&D Tax Credits

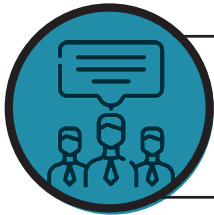
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Panel: Hot Topics in Taxation Based on COVID-19 (MASSIE Section of Panel)

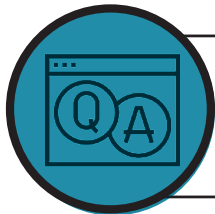
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Other Webinar Topics & Speakers Included:

- Transfer Pricing Strategies in an Uncertain Economic Environment | Patrick McColgan and Simon Webber; Duff & Phelps
- COVID-19 Relief Measures for Taxpayers and Implications for Research Credit Claims and Examinations | Sheri Dillon, Jennifer Breen, Alex Sadler, Doug Norton; Morgan Lewis
- Panel: Hot Topics in Taxation Based on COVID-19 | Cosimo Zavaglia, Morgan Lewis; David Ball, Duff & Phelps

*Please note: This white paper only summarizes the MASSIE session and MASSIE panel notes only.



Companies Who Attended

3M Company
3T Group
AGCO Corporation
Alexion Pharmaceuticals Inc
American Standard
Ankura
Aptean Inc.
Arbor Pharmaceuticals
Ariat International, Inc.
AS America Inc
ASML
AVI
Axcelis Technologies, Inc.
BAE Systems
Baker Botts LLP
BeyondTrust
BMC Stock
Borislow Insurance
Bridgestone
Cadence Design Systems
Capital One
Carpenter Co.
Cavco Industries Inc
Christie Digital
Ciena Corporation
Cognizant Technology Solutions
Colonial Pipeline Company
CommScope, Inc.
Connection
Core Scientific INC.
Corporate Synergies Group, LLC
CoStar Group
CryoLife, Inc.
Curtis Instruments Inc
DigitalOcean Inc.
Domtar
Doosan Bobcat North America
Dow
E*TRADE
Eastman Chemical Company
Elanco Animal Health
Exyte
Fortive Corporation
FTI
FUJIFILM Holdings America Corporation

GE Company
Harley-davidson
Health Care
Hubbell
InComm
Infor
International Paper
Interpublic
IPG
ITE
IVC
JBT Corporation
John Bean Technologies Corporation
K12
L.B. Foster Company
Lear
Liberty Partners
Lionsgate
LMI Aeospace, Inc.
Lockheed Martin
Lowe's Companies, Inc.
Mailchimp
Markel Corporation
Mazars USA LLP
McCormick & Company, Inc.
MEDHOST
Medtronic
Micron Technology
Microsoft
Milliken & Company
MilliporeSigma Corp
Modine Manufacturing Company
Mohawk Industries, Inc.
MSC Software Corporation
Namaste Consulting LLC
National Christian Foundation
NewMarket Corporation
Old Dominion Freight Line, Inc.
Olympus Corporation of the Americas
Oracle
Pinnacle Group
Powell Industries Inc.
PRA Group Inc
Primo Water Corp
ProtoLabs

Quest Software, Inc.
Rail Maintenance
Raytheon Company
Red Hat
Rehrig Pacific Company
RentPath
Ripple Labs, Inc.
Rocket Software
Ross Stores, Inc.
RPC, Inc.
Schweitzer-Mauduit International, Inc.
Scientific Games
Services Group of America
Sharp HealthCare
Shiloh
Siemens
SJSU
Smithfield Foods, Inc.
Sonos Inc
Stanley Black & Decker Inc
Steel Dynamics
Steris Corp
Swedish Match USA
Swingin' Productions
SWM International
Targa Resources
TEL FSI
Teladoc Health, Inc
Terex Corporation
Texas Instruments Incorporated
Thales Group
The Hartford
The MathWorks Inc
Titan America
Transocean Deepwater Drilling Inc
Trimble Inc.
ULA
Under Armour
University of Phoenix
Udata Partners
Walgreens
Western Digital
WestRock Company
Zimmer Biomet
ZOLL Medical Corporation



MASSIE Notes



How to Claim and Sustain the Largest R&D Tax Credits Possible with the Least Amount of Work!

Jason Massie and Peter Green
MASSIE R&D Tax Credits



Jason Massie



Peter Green

- Peter Green and Jason Massie opened the Roundtable and introduced the Agenda Items and featured speakers
- Some of the largest taxpayers in the country claiming the research credit participate in the quarterly MASSIE R&D Tax Credit Roundtable. Today we will share some of what we have learned and put into practice in 10 areas taking you through all aspects of a research credit project.

Pre-Project Considerations:

- This is a complex and complicated area of the Tax Law because Tax People have to go outside the Tax Department to learn about the innovative work done by SMEs and their teams
- SMEs often see Tax People as part of finance since they report up to the CFO, and wonder why “bean counters” can’t pull reports out of a system to satisfy the tax return requirements
- So part of the challenge for Tax People is something called “Lateral Leadership” which is behind the art of getting somebody who doesn’t report to you to do something they don’t have a work relationship to do. In other words, how do you motivate somebody to do something they don’t really want to do?
- First, develop a great Communication Plan; give SMEs all the answers to questions they might have
- Second, make sure you are asking SMEs the right questions. Great question asking will develop rapport and trust needed to start the study off in the right direction
- Third, assess the level of Tax Department goodwill you have with the SMEs, and work on improving that in order to improve your overall study

Form The Team:

- This can’t be a Tax Department project. It benefits the Company as a whole. You need to invite all Stakeholders to a project meeting to discuss all aspects of the project
- Plan out the initial team meeting. Be prepared



SME Engagement Planning:

- With social distancing, the Conference Room interview is off the table so to speak, so you'll have to be more creative and innovative as to how you use technology to engage SMEs
- Consider starting with an Architecture Phase. At MASSIE, we love how Architects ask questions, engage stakeholders, create designs, work on efficient plans, before they begin construction
- Make sure you are finding the innovation and SMEs, but also inquire about existing systems and documentation that might help you with four part test responses
- If you can create a system where the data comes to you, then you are managing the process, or coaching the process, rather than working hard to pull data out of people
- Creating a system where data flows to you means that Tax will conduct training and education, maintain relationships, and manage the project. The best companies claiming the largest credits do this as well
- User Experience Testing is a part of MASSIE's practice whereby SMEs test out tools before they are rolled out to many. This helps to eliminate issues on the back end with larger groups

Kick Off Process:

- Be organized! Consider a handout sent out to stakeholders in advance telling them about the credit, importance, how calculated, next steps
- Keep kick off brief and simple
- Show off a Guidebook to SMEs with sample answers gathered during User Experience Testing

SME Communications:

- Create motivational emails and rewards
- Keep body of email simple and clean. Include how to videos, guidebooks
- Consider motivational rewards where allowed to promote SME compliance
- Make sure spreadsheets are customized for SMEs to keep it easy and simple to fill out



MASSIE Notes

Documentation:

- Four-part test questions coming from SMEs own words is proven success model of the largest taxpayers claiming this credit
- Document mapping allows SMEs to check boxes as to what items they keep in their files and to tell where those are stored
- Document Indexing is all about making sure you have sample documents available and organized by four-part test

Tax Department Benefits:

- Organize your study so that tasks are stated and identified by week
- Keep on top of SME responses
- Use a project management tool like Asana

Preparing for Exam:

- MITRE means business
- Need to tell your own story
- Gather the right information the first time, and more in real time
- Be prepared to do battle after Siemer Milling and the LB&I Campaign against the research credit

Post Project:

- Do a SWOT to remind yourself of things you'd like to work on in the future
- Seek SME feedback
- Say Thank You

Process Improvements:

- Go to Real Time system
- Work on Functional Area opportunities, problems





Panel: Hot Topics in Taxation Based on COVID-19 (MASSIE Section of Panel)

Jason Massie
MASSIE R&D Tax Credits



Jason Massie

Realty for Tax People:

- Potential business losses, desire to hold on to cash, furloughs, layoffs
- Tax wants to bring more value to the organization
- Look to increase ROI for your research credit

ROI for the Research Credit:

- How do we increase the credit? By finding more QREs
- How do we decrease the amount of work associated with the credit?
Maybe moving work from vendor to in-house, or making entire process easier for everybody
- How do we limit audit adjustments? By creating better work product

What can you ACHIEVE?

- Address problems in your Research Credit process
- Explore opportunities
- Create efficiencies

Increase ROI by looking at four Functional Areas:

- Project Management
- Team Work
- Tools
- Information Flow

Considerations:

- Where do we get the best bang for the buck?
- Which ideas are implemented now versus later?
- With a deeper dive into each area, you might find ways to improve ROI in all areas



Next Webinar



Wednesday, August 26th | 3:00 - 4:00 PM EST

Join an elite group of tax professionals to discuss R&D Tax Credit planning strategies in this complimentary 1-hour webinar.

Previous presenters include: Arbor Pharmaceuticals, Aetna, AT&T, Bayer, Caterpillar, Coca-Cola, CommScope, IHG, Kimberly-Clark, Lockheed Martin, Northrop Grumman, Red Hat, United Launch Alliance, Wells Fargo

Previous Legislative contributors: Baker McKenzie, Alston & Bird LLP, Ivins Phillips Barker Inc, Morgan Lewis LLP, Sidley Austin LLP.

Each Roundtable concludes with an Open Forum led by Jason Massie, MASSIE R&D Tax Credits.

Sign up today, visit: massietaxcredits.com





R&D TAX CREDIT Staffing Services



EXPERIENCED PEOPLE YOU NEED...WHEN YOU NEED THEM

As a leading expert in R&D Tax Credit Services, MASSIE only employs the best. On average, our people have over 10 years of experience working as Tax Credit consultants. Our people love what they do and will work well with your team. We take the time to listen and understand your situation and then place our best resources on the job. MASSIE resources already know MASSIE Best Practices which are utilized by some of the largest companies in the country.

When you hire a MASSIE resource, you have access to our entire team, knowledge base, and industry experts. Our remote resources include:

Project Managers Data Analysts Technical Writers Audit Support

WHY CHOOSE US?

Our resources have over 10 years of Tax Credit Experience

Short-term, seasonal, high-volume, audit-support and niche contract requirements

Hourly contract basis to fit your exact needs for this year's project

Dedicated resource to execute project under your directive

Hire temporary & contract workers within 24 hours

FOR MORE INFORMATION

For more information on other MASSIE services, go to massietaxcredits.com

HOW TO REACH US

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