



# Q3 ROUNDTABLE WHITE PAPER

September 18, 2025

BECAUSE  
TODAY IS  
DIFFERENT





# Table OF CONTENTS

## Introductions and Announcements

---

Jason Massie & Peter Green, MASSIE R&D Tax Credits

Page 4

## Washington D.C. Updates

---

Douglas Norton, Morgan Lewis

Pages 4-5

## Recent Developments

---

Stephen Whiteaker, MASSIE R&D Tax Credits

Pages 5-6

## Collaboration Made Easy

---

John Hoang, MASSIE R&D Tax Credits

Page 6

## Behind the Firewall

Peter Green, MASSIE R&D Tax Credits

Page 7

Upcoming R&D Tax Credit Best Practice Roundtable

December 11, 2025



Advacion

AMERICAN  
EXPRESS

ASTENJOHNSON

□ • BASF  
We create chemistry

b:

BeyondTrust

CAT

Cummins

# Companies ATTENDED

DAIMLER TRUCK  
North America

DAKTRONICS

ADM  
Adobe Inc.  
Ahold Delhaize  
Air Products & Chemicals, Inc.  
Akamai Technologies

Amcor  
AMD  
Arch MI  
Arvest Bank  
ASML US, LLC  
Autodesk  
Aveanna  
Bae Systems Inc.  
Ball Corporation  
BASF Corporation  
Bayer  
Bioventus

Bottomline Technologies, Inc.  
Bridgestone Americas, Inc.  
CarMax  
Caterpillar, Inc.  
Charles Schwab  
Cimpress USA Incorporated  
Cisco  
Clorox

Cohere Health, Inc.  
Core Scientific, Inc.  
Corteva Agriscience  
CorVel Corporation  
Cummins Inc  
Curtiss-Wright Corporation  
Daimler Truck North America  
Deere & Company  
Dot Foods, Inc.  
Ducommun Incorporated  
Erie Insurance  
Esri  
Etac AB  
Expedia Group  
Exyte US, Inc.  
FBIN  
FormFactor, Inc.  
Fresenius Kabi, USA  
Freudenberg North America LP  
Gallup Inc  
Gap Inc  
GENENTECH, INC  
Hoffmaster Group, Inc  
Hubbell Inc.  
IDEXX Laboratories, Inc.

Ingevity Corporation  
International Automotive  
Components Group North  
America, Inc.  
ITW  
Jack Henry & Associates, Inc.  
JBT Marel Corporation  
Johnson Outdoors  
Kemira Water Solutions Inc.  
Kimberly Clark Corporation  
KLA Corporation  
Kowles Corporation  
Land O'Lakes, Inc.  
Lattice Semiconductors  
Lear Corporation  
Leggett & Platt, Inc.  
Leidos  
Lockheed Martin Corp  
MACOM Technology  
Macy's  
Magna International  
MathWorks  
Mativ Holdings, Inc  
MathWorks  
Mativ Holdings, Inc.

McWane, Inc.  
MEDHOST  
Medtronic  
MGM Studios  
Microsoft Corporation  
Midmark Corporation  
Milliken and Company  
Morrow Energy LLC  
Musco  
NeueHealth, Inc.  
NextGen Healthcare, Inc.  
Northrop Grumman  
Occidental Petroleum Corporation  
Optiver  
Oshkosh Corporation  
OSI Group LLC  
OXY  
PACCAR Inc  
PCA  
Pentair  
PGA TOUR SUPERSTORE  
Phillips 66  
Precisely Software Incorporated  
prysmian  
Ralliant Corporation

Randstad  
Reiter Affiliated Companies &  
Reiter Family Office  
Robert Bosch LLC  
Rockwell Automation, Inc.  
Roper Technologies, Inc.  
Safelite Group, Inc.  
Saft America Inc.  
Saint-Gobain Corporation  
Salesforce, Inc.  
Samsung Research America, Inc.  
SAS Institute Inc.  
Schwabe North America, Inc.  
Silicon Laboratories  
Sitecore USA, Inc.  
SM Energy Company  
Smithfield Foods, Inc.  
Snap-on Incorporated  
SPX  
Stantec  
Stripe Inc.  
Sun Life Financial  
Synopsys, Inc.  
TATA CONSULTANCY SERVICES  
TDS Inc

TEL US Holdings  
Tennant  
The Home Depot  
The Suddath Companies  
The Toro Company  
The Walt Disney Company  
Toyota Industries North America  
Transcore LP  
UNG  
United Launch Alliance  
USANA Health Sciences, Inc.  
Verint Systems Inc  
Vitesco Technologies  
Vonage  
Walmart  
Wellmark, Inc.  
WEX Inc.  
Weyerhaeuser Company  
Worthington Enterprises, Inc.  
Yelp, Inc  
Zumiez, Inc.



## Introductions and Announcements

### Jason Massie & Peter Green, MASSIE R&D Tax Credits

- Welcome to the third Roundtable of 2025.
- If you want Peter and Jason to speak to your TEI group, please email [Ilona Lyubashevsky](#).
- Interested in being a guest speaker at the R&D Best Practices Roundtable? Reach out to [Ilona Lyubashevsky](#).
- MASSIE continues helping clients get more from the tools they already own, including Teams, Google Workspace, and Slack, to simplify SME engagement and speed up R&D studies. Want to learn more? Reach out to us [here](#).
- [Southern Jobs Tax Credits](#) are available in Georgia, Mississippi, and South Carolina. If your company has employees in these states, [Tanja Spivey](#) can help you explore opportunities.

## Washington D.C. Updates

### Douglas Norton, Morgan Lewis

#### **A Long, Strange Trip: Section 174 Disputes After OBBBA**

The return to deductibility under [One Big Beautiful Bill Act \(OBBBA\)](#) hasn't erased the footprint of TCJA-era Section 174 capitalization rules. Companies are left questioning which parts of prior IRS guidance still apply — and how their past actions might affect current filings.

While this guidance served as interim support for handling 174 under capitalizable R&E, its relevance in 2025 remains uncertain. For clarity on implementation, check [MASSIE's Best Practices: Section 174 Guidance](#).

Key questions tax teams are asking:

- Can taxpayers now treat costs differently under 174A than they did under 174C?
- Do methods adopted under the Notices still bind taxpayers?
- Will IRS exam teams try to enforce elements of the Notices even though formal regulations were never finalized?

# Washington D.C. Updates

Douglas Norton, Morgan Lewis

These questions aren't hypothetical. We're already seeing real-world scenarios like:

- Recharacterizing research for foreign parents as deductible under 174A
- Modifying allocation methods to capture more overhead
- Revisiting fixed-price contracts that were previously excluded from 174 treatment
- Continuing to apply 2023-63 standards to software development costs in 2025

The common thread? Uncertainty about how much flexibility taxpayers truly have in 2025 and beyond.

**Takeaway: Just because capitalization is over doesn't mean 174 controversy is. The choices companies made from 2022 to 2024 could shape audit outcomes for years to come.**

Want to dive deeper into post-OBBA Section 174 strategy? [Read our full breakdown of what Section 174 means for R&D tax credits in 2025.](#)

# Recent Developments

Stephen Whiteaker, MASSIE R&D Tax Credits

## OBBA, Form 6765 Confusion, and the July IRS Memo

OBBA quietly changed the rules on how taxpayers must coordinate the R&D credit with Section 280C. Taxpayers must now choose to:

- Reduce R&D expenses
- Reduce capitalized amounts
- Or elect to reduce the credit itself (280C election)

This was optional in recent years. It's now mandatory. Some taxpayers inadvertently made the 280C election in 2022, reducing their credit without realizing it. Congress granted relief only to small taxpayers (with  $\leq \$25M$  in gross receipts), leaving others stuck.

The latest [Form 6765](#) instructions added another layer of complexity — especially for controlled group members filing separately. The IRS revised the instructions in June, clarifying that filers should only report their own QREs on Line 5 or 20. However, Line 21 still requests the entire group's prior-year QREs, potentially disqualifying otherwise valid credits.

The updated instructions retain the same January 2025 revision date, increasing the likelihood of confusion.

For more context on this controlled group issue, see [Avoid This Controlled Group Pitfall on Form 6765](#).

# Recent Developments

Stephen Whiteaker, MASSIE R&D Tax Credits

# Collaboration Made Easy

John Hoang, MASSIE R&D Tax Credits

## IRS Operations Update

There's movement inside LB&I.

- Commissioner Billy Long is out. Holly Paz is on leave.
- IRS is trying to reverse recent staffing cuts by rehiring experienced agents.
- A July 2025 LB&I memo announced three operational shifts:
  - Acknowledgment of Facts (AOF) is optional through 2025 and eliminated in 2026
  - Fast Track Settlement denials must now be escalated to the Deputy Commissioner
  - Accelerated Issue Resolution (AIR) is officially back — and relevant to large corporate cases

The memo emphasizes transparency, taxpayer collaboration, and business-driven decisions — not just legal ones.

**Takeaway: IRS leadership is signaling a shift toward faster resolution and more balanced exam practices. Tax teams should take advantage of it.**

Want a deeper breakdown of what's changing on Form 6765 and how the new 280C rules could impact your R&D credit? Read our latest article on how OBBBA and Form 6765 are reshaping compliance.

## Using Slack, Teams, and Workspace to Engage SMEs Faster

Companies are finding success using internal collaboration tools, not third-party portals, to manage R&D studies.

Slack, Microsoft Teams, and Google Workspace all offer tools that make SME participation easier:

- Dedicated channels for real-time requests and documentation
- Dashboards to track SME progress
- Embedded resources like FAQs, tutorial videos, and file templates
- Automated workflows for reminders, due dates, and follow-ups

This approach keeps everything behind the firewall and familiar to the SME. When you meet them where they already work, you remove friction and increase participation.

**Takeaway: No new tools needed. You can run a modern R&D credit process using platforms your teams already live in.**

Want to see how teams are using Slack and Microsoft tools to accelerate SME participation? We walk through it all in this blog.

# Behind the Firewall

**Peter Green, MASSIE R&D Tax Credits**

## AI and the Tax Department: MASSIE's New Collaboration Forum

With AI tools multiplying, many tax departments are being asked to work behind the firewall, collaborating with internal tech teams rather than relying on third-party platforms. The issue: AI platforms often request access to extremely sensitive data, including payroll, org charts, contracts, and financial systems. This raises new security and risk questions, especially in large companies where different teams may be buying into different tools without alignment.

MASSIE sees this as an opportunity.

Starting in October 2025, MASSIE will launch a new [AI for R&D Collaboration Forum](#) — a small, peer-led working group designed to:

- Help tax and IT teams share best practices
- Surface early use cases for AI in the R&D credit process
- Clarify where risk and compliance gaps exist
- Facilitate dialogue about how the IRS is responding to AI-driven credit calculations

The forum is intended for technology professionals, innovation teams, and internal AI stakeholders.

Want to join the forum? Sign up now.

To understand how the IRS views AI in tax credit claims, read our article "[AI and the R&D Tax Credit: What Actually Qualifies](#)."

**Takeaway: AI isn't just a tool — it's a strategic conversation. MASSIE is here to help you lead it.**

## See You Next Time

Thanks for joining the Q3 2025 Roundtable.

We'll see you again in [December 2025 for the final Roundtable of the year](#).

Stay tuned for the invite and [let us know](#) if your TEI group would like to host a MASSIE session in the meantime.



presented by  MASSIE

Mark your calendar for  
our next Roundtable.

December 11, 2025 | 3 PM ET