

R&D Tax Credit Bill Passes Senate and is Sent to Governor Perry's Desk for Approval

Houston, TX - May 22, 2013 - alliantgroup is pleased to share that last night, the Texas Senate passed and sent to the Governor's desk for signature a Research and Development (R&D) tax credit for the state of Texas. With the Governor's signature, Texas would join nearly 40 other states that have a state R&D tax credit.

"How does Texas keep its place as the number one state in the country for business? The Texas Senate answered the question last night, passing and sending to the Governor a state R&D tax credit. This legislation will do much to help encourage and foster innovative small and medium businesses in Texas," Dean Zerbe, alliantgroup National Managing Director, said.

A recent study by TXP brings home what Texas could gain from having a state R&D tax credit: 97,600 permanent jobs, \$4.5 billion in additional wages, and \$13 billion in increased economic activity – each year.

"alliantgroup has worked with hundreds of Texas companies and CPAs to assist them in taking the federal R&D tax credit. Now that there is a Texas state R&D tax credit – the good news gets even better for business owners. The opportunity for Texas businesses is tremendous with this new legislation. It's critical that small and medium business owners recognize that this R&D tax credit can help them keep more money in their pocket – it's not just for the big boys," said Kevin Corley CPA, alliantgroup Senior Managing Director.

A Texas R&D tax credit would also help strengthen the amount of R&D expenditures in Texas – now ranked 28th in the country (measuring ratio of state R&D spending to the gross state product) according to a 2013 study by the Texas Legislative Budget Board on a possible R&D Tax incentive (citing National Science Foundation numbers). This low level of R&D is underscored by the TXP report highlighting that while Texas is 8.4 percent of the U.S. economy, the state is home to only 5.2 percent of business-based R&D activity.

"Texas businesses that could benefit from this new Texas R&D tax credit (if it is signed into law) include: architects; engineers; computer software; manufacturing; food processing; agriculture; oil and gas; pharmaceutical . . . the list goes on and on. We find in practice that the tax benefits for a small or medium-sized company in Texas can be anywhere to tens of thousands of dollars to well over a million dollars, depending on the size of the company and the work performed," Shane Frank, alliantgroup Chief Operating Officer, said.

"Governor Perry is right to boast about Texas being number one for business – by signing into law the Texas R&D Tax Credit – he will help ensure that Texas stays number one," Zerbe said.

About alliantgroup

alliantgroup is the nation's premier provider of specialty tax services. Headquartered in Houston, TX, with offices across the country including California, New York, Illinois, and Washington, D.C., alliantgroup works with CPAs and their clients to ensure that they receive the full benefits of all available federal and state government-sponsored tax credit and incentive programs. For more information, please visit www.alliantgroup.com.