

## Aprio helps private-equity backed software company maximize federal and state R&D tax credit opportunities with \$1.5M in tax benefits

### Section 174 Analysis and Optimization Leads to Gains

When a private equity-owned B2B software solutions company sought assistance taking advantage of Section 41 and Section 174 tax credit calculations, Aprio stepped up with skillful, deliberate guidance and keen analysis. Reliable results keep the growing company trusting Aprio for R&D tax credit services year after year.

During its first year partnering with Aprio, the software solutions company saw more than \$600,000 in federal and state tax credits. The following year, Aprio's optimization methods helped the company achieve more than \$400,000 in credits. The result was a minimal impact by the then-new Section 174 rules.

Aprio developed a meaningful Section 174 methodology that allowed the company to reduce the burden associated with the law. Aprio's consultative insight drove value, reducing the client's FYE tax liability by \$220,000. Despite the complexities, Aprio delivered results, helping the company pursue more state R&D credits to help offset negative impacts of Sec. 174. As a result, the company's state payroll offset was \$300,000 in 2022 and more than \$200,000 in 2023. The recovered resources allowed the company to direct those funds towards needs that helped it achieve growth and business goals.

### Recoup credits with an experienced advisor

Aprio's knowledgeable tax professionals help clients and their investors maximize their taxable positions and deliver a robust R&D tax credit report with meaningful substantiation. Maximize cash flow and enhance value through an approach that encompasses Federal, State and Local credits.



#### About Aprio

Since 1952, clients throughout the U.S. and across more than 50 countries have trusted Aprio for guidance on how to achieve what's next. As a premier business advisory and accounting firm, Aprio Advisory Group, LLC, delivers advisory, tax, managed and private client services to build value, drive growth, manage risk and protect wealth, and Aprio, LLP, provides audit and attest services. With proven experience and genuine care, Aprio serves individuals, entrepreneurs, and businesses, from promising startups to market leaders alike.

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