



TaxRobot R&D Tax Credit Affiliate Cheat Sheet

When marketing the R&D tax credit – it is important to ensure that the business qualifies for the credit and can utilize it. Below, you will find the most important questions to ask a prospect to ensure that they qualify for the credit. We have also included the most common objections to a prospect wanting to pursue the credit and how to respond to these objections.

Qualification Questions

1. Do you have W2 employees at your company who use their technical knowledge to create original designs or processes OR make improvements to current designs or processes?
2. What is the entity of your company? (S-Corp, C-Corp, LLC, etc).
3. How many W2 employees do you have?
4. Of those W2 employees, how many of them have daily duties that involved technical/design work?
5. Have you hired any U.S. based contractors on an hourly basis for any technical/design work?
6. (If serviced-based company) Do you invoice your clients hourly or fixed-free/lump sum?
7. (If manufacturing company) Have you spent any money on raw materials to manufacture a prototype or first-run production of a product?
8. Did you file your taxes for 2020 on time or on extension? If on extension, when did you file?
9. Are you planning on filing your 2023 taxes on time or on extension?
10. Do you utilize any time tracking system at your company to document progress of projects?

Common Objections & Responses

Objection: Why do I need your services; I already have a CPA?

Answer: The R&D tax credit is extremely nuanced and requires specialized knowledge and an in-depth analysis to calculate. This is why most CPA firms often partner with consultants to evaluate the benefit. We would be happy to further discuss with both you and your CPA.

Objection: We don't do any R&D.

Answer: Honestly, we hear this often. Everyone has their own definition of research and development, but in the tax code, R&D is defined as using knowledge in the sciences to solve technical problems. We believe your company is qualified for the credit and believe it would be worth a 15-minute call to be sure you aren't leaving money on the table.

Objection: I don't have the time to dedicate to this.

Answer: I understand. All we ask is a 15-minute conversation to see if the credit is worth pursuing. If not, we don't want to waste any more of your time.

Objection: Will we get audited if we claim the credit?

Answer: Claiming tax credits will not make your firm any more or less likely to get selected for an audit. In the event that you are audited, our firm includes comprehensive audit protection with every study.

Objection: How much does it cost?

Answer: We charge a small percentage of the credit calculated. This ensures that you're never paying more for our services than you receive in benefit.

Objection: What is TaxRobot?

Answer: TaxRobot is an AI-powered software designed to help you and your CPA claim the R&D tax credit effortlessly.

Is this the 179D tax form or 179D deduction or “energy efficiency” or “green design”:

This is not the 179d deduction, but many firms that are eligible for 179d are also qualify for the R&D tax credit.

Objection: I already claimed the Employee Retention Credit (ERC.)

Answer: I'm glad to hear that you were able to take advantage of the ERC. However, I'm reaching out regarding the Research and Development tax credit. Are you familiar with this benefit?

Objection: I made too much money during the pandemic/COVID so I don't qualify.

Answer: It's fantastic to hear that your company is doing so well. Are you referring to the Employee Retention Credit?

If they answer yes, then...

I understand. I'm actually reaching out regarding the R&D tax credit. Your ability to claim this tax credit does not depend on your company's revenue, but rather your employees using their knowledge in the sciences to solve technical problems. Are you free next week to speak with our directors about this benefit?

If they answer no, then...

Ok. Which tax credit are you referring to? (Wait for their answer, then...) We specialize in the Research and Development tax credit. Are you familiar with this benefit?

Objection: I don't pay any taxes.

Answer: Ok, thank you for sharing. Why is it that you do not pay any taxes?

If they answer that their company is a “non-profit”, go ahead and end the call.

If they answer because they were “operating in losses and didn’t bring in enough revenue to have any income tax liability”, then answer with “I understand. Many of our clients that do not have income tax liability can either apply the credit to their payroll taxes or carry the credit forward up to 20 years.”