

# SAMPLE COMPANY

## Estimated Range of R&D Benefits

### Assumptions - Qualifying Percentages

	Low End	High End
Officers Compensation	8%	10%
Salaries & Wages	8%	10%
COGS - Cost of Labor	5%	8%
COGS - Subcontractors	3%	5%

	Low End		High End	
	Refunds/(Liab)	Carryforwards	Refunds/(Liab)	Carryforwards
<b>Federal (2011 to 2014):</b>				
2011	0	13,000	0	20,000
2012	1,000	6,000	1,000	9,000
2013	1,000	17,000	(3,000)	33,000
2014*	51,000	(35,000)	87,000	(62,000)
	<b>53,000</b>	<b>1,000</b>	<b>85,000</b>	<b>0</b>
<b>Total Federal Benefits</b>		<b>54,000</b>		<b>85,000</b>
<b>Minnesota (2011 to 2014):</b>				
2011**	6,000	0	9,000	0
2012**	9,000	0	14,000	0
2013	0	13,000	0	21,000
2014*	25,000	(13,000)	25,000	(6,000)
	<b>40,000</b>	<b>0</b>	<b>48,000</b>	<b>15,000</b>
<b>Total MN Benefits</b>		<b>40,000</b>		<b>63,000</b>
<b>Total Benefits</b>		<b>90,000</b>		<b>150,000</b>

**Note:**

\* Tax saving amounts in 2014

\*\* Minnesota R&D credit may reduce the tax liability below zero for the tax refunds during 2011-2012



**SAMPLE COMPANY**  
SUMMARY OF R&D CREDIT

	Description	2011	2012	2013	2014	Total
<b>Low</b>	<b>Federal Gross Credit</b>	12,700	17,510	25,286	23,812	79,307
	<b>Federal Reduced Credit*</b>	8,255	11,381	16,436	15,477	51,550
	<b>MN Credit</b>	5,796	8,642	12,643	11,906	38,987
	<b>Total Gross Credit</b>	<b>18,496</b>	<b>26,151</b>	<b>37,929</b>	<b>35,717</b>	<b>118,294</b>
	<b>Total Reduced Credit</b>	<b>14,051</b>	<b>20,023</b>	<b>29,079</b>	<b>27,383</b>	<b>90,536</b>
<b>High</b>	<b>Federal Gross Credit</b>	19,913	27,943	43,375	38,809	130,039
	<b>Federal Reduced Credit*</b>	12,943	18,163	28,194	25,226	84,526
	<b>MN Credit</b>	9,270	13,791	21,269	19,404	63,735
	<b>Total Gross Credit</b>	<b>29,183</b>	<b>41,733</b>	<b>64,644</b>	<b>58,213</b>	<b>193,774</b>
	<b>Total Reduced Credit</b>	<b>22,213</b>	<b>31,954</b>	<b>49,463</b>	<b>44,630</b>	<b>148,260</b>

**Notes:**

\* Federal Reduced Credit = 65% of the gross credit