

CUTTING EDGE INDUSTRIES SCORES BIG WITH R&D TAX CREDITS

ABOUT CUTTING EDGE INDUSTRIES INC. Cutting Edge Industries is a diverse American manufacturing firm that specializes in lighting, furniture, funeral and cremation, awards and promotional products, souvenirs and giftware, and more. Their staff designs, manufactures, assembles, and finishes all their products from the highest quality materials right here in the USA. With such a wide range of manufacturing capabilities and services from metal casting to computer drafting and design, Cutting Edge Industries works to continuously improve and innovate the business to develop the best possible processes to ensure customers remain satisfied.

THE CHALLENGE. New Jersey can be an expensive state to conduct business. Cutting Edge Industries is always working to improve, and that requires investments in equipment and technology. Securing additional funds that can be invested back into the company is challenging, especially with the high cost of doing business in New Jersey. Cutting Edge Industries and their NJMEP Account Manager connected to brainstorm solutions for securing additional capital.

MEP CENTER'S ROLE. To secure additional capital, quickly, and for a low up-front investment, Cutting Edge Industries and NJMEP, part of the MEP National Network™, landed on securing R&D tax credits. Many businesses don't think they would qualify for a research and development-based tax credit. However, as Cutting Edge Industries discovered, many manufacturers' day-to-day processes or unique job roles can qualify them. Cutting Edge Industries was able to qualify for federal tax credits at the end of the easy R&D tax credit process. The R&D tax credit process includes reviewing the list of development projects and selected eligible R&D projects and preparing a narrative or description of each project for the accounting firm's review. The accounting firm reviewed the narrative and made some revisions to eliminate ineligible areas or activities, and the client supplied information enabling the accounting firm to allocate costs to the eligible projects. Then NJMEP worked with the client to gather costs that related to the R&D projects while the accounting firm prepared the necessary tax forms and submitted the tax return and R&D tax credit on the client's behalf.

"I would absolutely recommend the R&D tax credit program to other manufacturers. In New Jersey, with things so expensive, every little bit helps. We've added some new product lines, so any tax savings allows us to reinvest in our business is essential.

Anytime [our account manager] has something to say, we always listen. Most of the stuff NJMEP comes up with is very helpful to manufacturers. It's good to have them as a resource"

-Steven Filler, President

RESULTS



\$25,000 in increased sales



\$25,000 in retained sales



2 jobs retained



\$15,000 in cost savings

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