

PARKWAY KEW SCORES BIG WITH R&D TAX CREDITS INNOVATION DRIVES BUSINESS FORWARD

ABOUT PARKWAY KEW CORP. Parkway Kew Corp was established in 1952 by Eugene Walter Klien, a welding supply salesman. A partnership with Parkway Welding in 1953 helped create a foundation that could support consistent growth and innovation. Currently, its headquarters is in North Brunswick, New Jersey, and this site has been Parkway Kew Corps home since 1999.

THE CHALLENGE. COVID-19 put a tremendous amount of pressure on the business. Sales dropped and customers weren't as active as originally projected. This dip in business, coupled with the company's commitment to continuously investing in their equipment and workforce encouraged leadership to begin considering different ways to help bring in some additional capital. For help, Parkway Kew turned to NJMEP, part of the MEP National Network™.

MEP CENTER'S ROLE. After consulting with their NJMEP account manager, it was identified that Parkway Kew could be an ideal candidate for R&D (research and development) tax credits. NJMEP worked with Parkway Kew and took an extremely close look at their facility and operations. An in-depth study was performed to determine if the client could be eligible for tax credits. NJMEP went to work documenting the four qualifying criteria: first, the goal must be to discover some technological information that does not already exist within the organization; second, there must be a level of technical uncertainty related to the product or process development; third, any qualifying event must have a process of experimentation to prove or disprove a technical theory; and finally, the research must have goals attributable to function, efficiency, capacity, or other performance criteria.

Once the preliminary information and eligible R&D costs were reviewed by NJMEP, this data was combined with information relating to gross revenue and other factors that allowed NJMEP to provide Parkway Kew with an approximate federal R&D tax credit. NJMEP then proceeded to prepare the technical support documentation for Parkway Kew. The completed report outlines and demonstrates the activities that qualify as "R&D" within the meaning of the credit and its guidelines.

"[Working with NJMEP] worked well for us. R&D tax credits allow us to recoup some of our losses. We would continue to innovate regardless but if they want to help us recoup some of that investment, we'd be happy to take the support."

-Eugene Klein, Sr., President

RESULTS



\$150,000 in increased or retained sales



16 jobs retained



4 jobs created



\$15,000 in cost savings

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