

CATBRIDGE MACHINERY BENEFITS FROM QUALIFIED R & D TAX CREDITS

ABOUT CATBRIDGE MACHINERY. Catbridge Machinery is a 'MADE in New Jersey' company that designs and manufactures high-performance web converting machinery. Founded in 2002, this Montville, New Jersey, manufacturer provides slitter rewinders and web converting systems for countless industries to help customers succeed in today's dynamic global markets. This industry leader utilizes decades of precision engineering and machine building experience to make highly optimized converting machinery for their customers' specific needs. They take pride in their dedication to producing durable machines with faster cycle times with less set up, less waste, and fewer operator errors, giving customers better results.

THE CHALLENGE. Catbridge Machinery was looking to see if they could take advantage of specific R&D tax credits. Tax credits can reduce the amount of taxes companies owe to the federal or state governments or increase a return, but they are generally complex and require the combined expertise of engineering and financial professionals. Smaller manufacturers often don't have the staff or the knowledge to understand what credits they may be entitled to receive.

MEP CENTER'S ROLE. With prior positive experiences with NJMEP, part of the MEP National Network™, on previous tax credits, Catbridge Machinery turned to their account manager, Jeff Meister, for help once again. Catbridge has had lots of success with NJMEP's services in the past and has credited NJMEP with helping their business grow from a \$4 million company to an over \$30 million business since 2006. Jeff, who has years of experience working with manufacturers to qualify for tax credit, worked with NJMEP's R&D resource to review Catbridge's operations.

Through examining each of Catbridge's research and development activities, the team was able to identify which ones qualified. A list and documentation were compiled of all these qualified R&D activities to calculate the tax credits. This would ensure Catbridge qualified for the credits.

"We talked to [NJMEP] about helping initially with some hiring and then we found out about the tax credit. I'm an engineer by degree and have learned the business aspect of running a company as we have grown. After talking to other manufacturers, they suggested, 'Oh you need to do the R&D tax credit because you guys do a ton of product innovation,' and then I really learned about it through our rep at NJMEP. There's always challenges to it," Catbridge Machinery Vice President William Christman explained.

"We've always been very satisfied. There were some ownership changes with our original consultant that NJMEP connected us with. But with some effort, they were able to maintain continuity with the team we had worked with for many years. Without NJMEP as the intermediary, we may have just kind of lost our connection completely and had to engage a new firm. NJMEP is familiar with our business, and they have a good idea on how to approach the analysis going into it. It makes the process very easy for us."

-William Christman, VP

RESULTS



\$2,900,187 in estimated qualified research expenditures



\$218,830 in estimated IRS credit



\$172,875 in cost savings

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