



Case Study: Utah A/V Company Unlocks Over *\$300K in R&D Tax Credit*

How Technical Innovation in A/V Integration
Yielded \$300K+ in Tax Savings

Overview

A Utah-based audio/visual (A/V) integration company specializing in high-end residential and commercial projects partnered with the Strata R&D Tax Group to explore potential R&D tax credit opportunities. Their daily work involves designing, engineering, and installing advanced multi-technology systems, often in unique environments that demand innovative solutions. Initially, the company did not consider the R&D tax credit, as they believed it did not apply to them. However, as is common, Strata's team of highly capable R&D specialists were able to identify significant unrealized tax savings.

INDUSTRY:

Audio/Visual Design & Integration

LOCATION:

Utah

COMPANY SIZE:

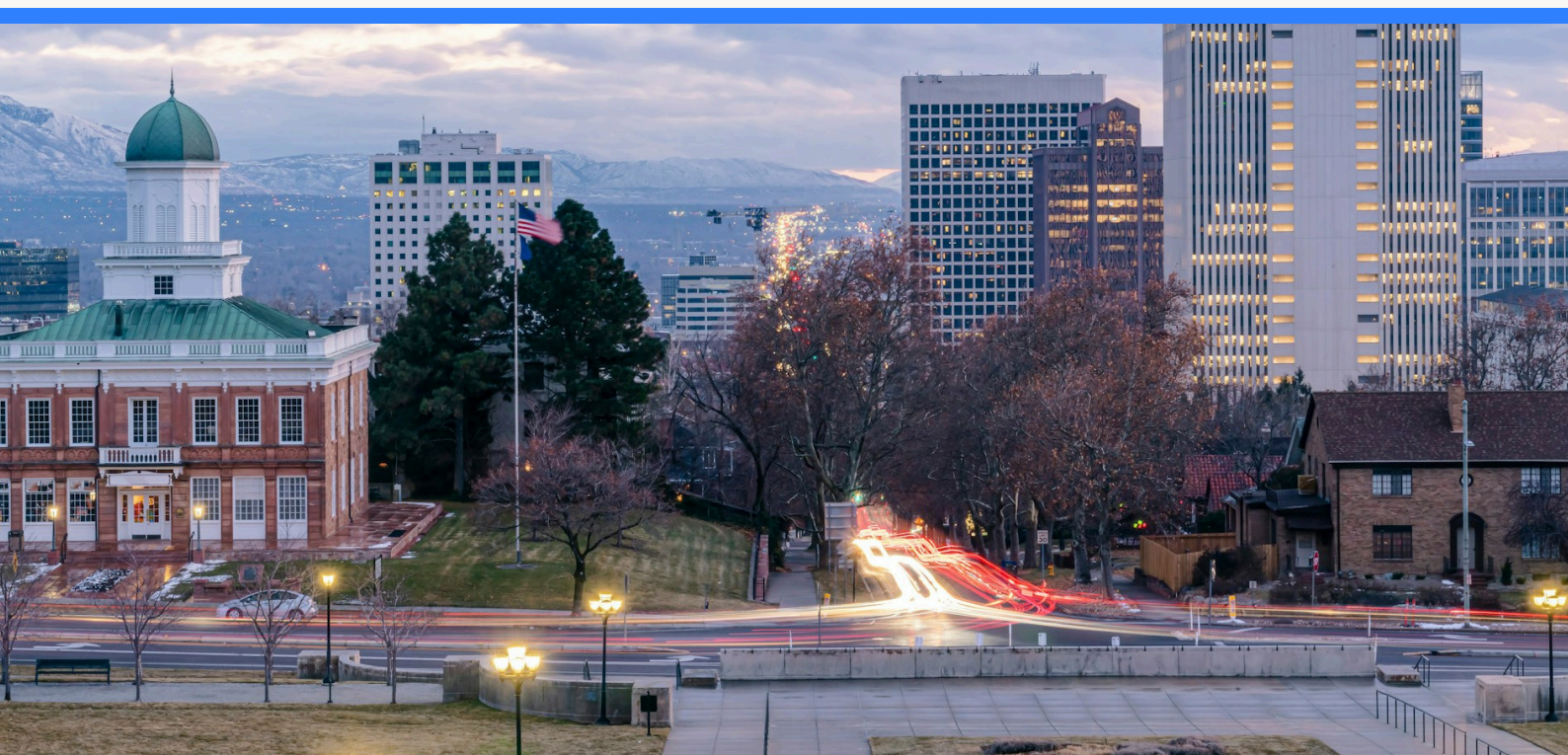
15-25 Employees

ENGAGEMENT SCOPE:

3-Year Lookback Study

Background

- Total Credit Identified: Over \$300,000 in combined federal and state credit from a 3-year lookback.
- Average Credit per Employee (Annually): \$7,000+
- Impact: Provided significant tax savings, enabling reinvestment into new tools, staff training, and expanded service offerings.



Qualifying Activities

The company's technical and design efforts met the IRS criteria for qualified research, with work that involved experimentation, overcoming technical uncertainties, and developing custom solutions. Examples included:

Custom System Design

Creating tailored home theater and multi-room A/V solutions integrating multiple technologies, including audio, video, lighting, acoustics, and networking.

Iterative Optimization

Adjusting and reconfiguring layouts to address environmental factors such as acoustics, lighting patterns, and interference.

Custom Control Logic Development

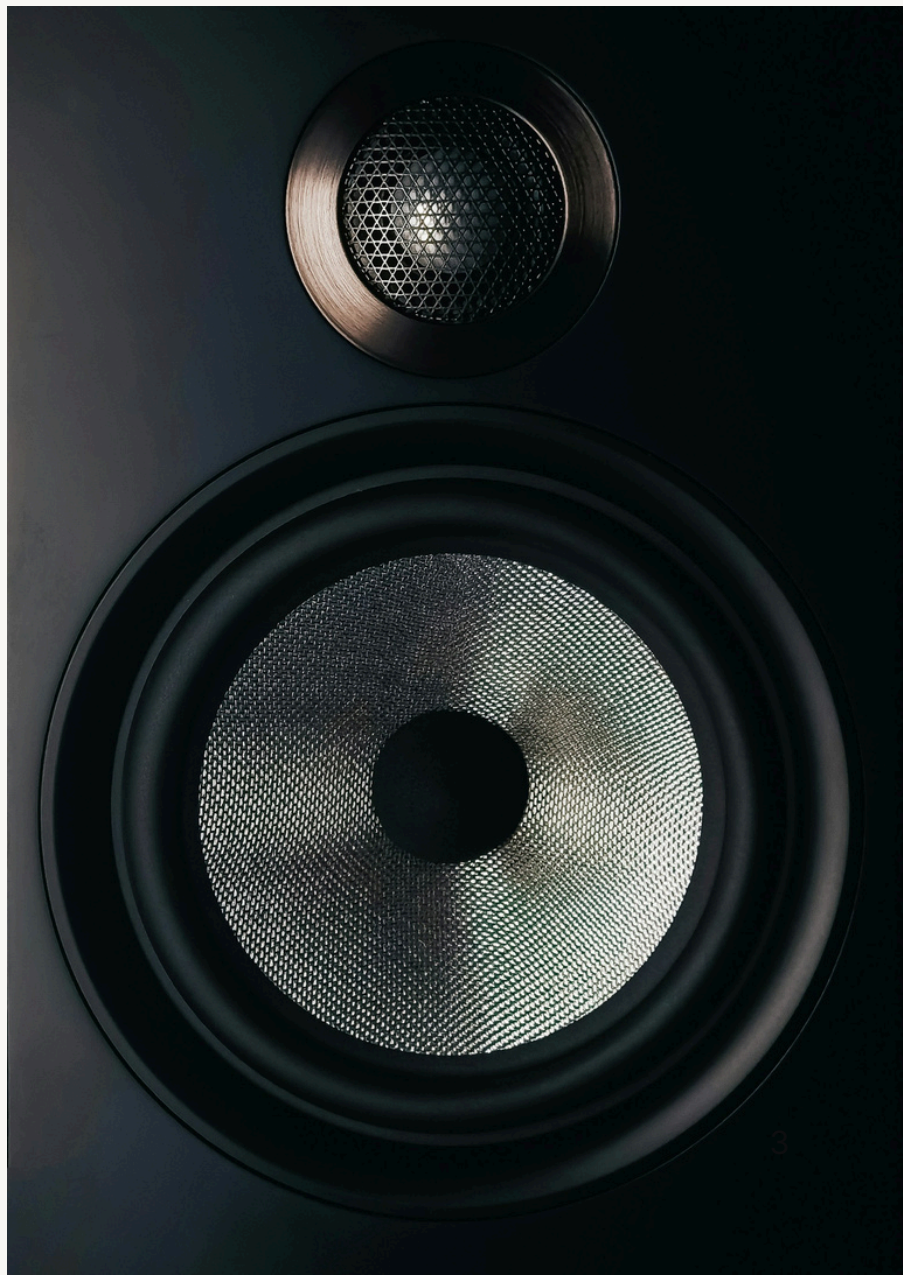
Writing and testing proprietary macros, control scripts, and interfaces to connect devices and platforms that don't natively integrate.

Custom Hardware Fabrication

Designing and building unique mounts, brackets, and enclosures for specialized installations.

Advanced Network Engineering

Solving issues like signal degradation, latency, and bandwidth limitations in large or multi-zone environments.



Why It Qualified

The company's projects frequently required systematic experimentation and problem-solving without guaranteed results—criteria central to R&D tax credit eligibility. These activities extended beyond standard installation work and represented innovative engineering in real-world environments.

Key Takeaway

Contrary to popular belief, “innovation” isn't limited to software and tech. Hands-on technical problem-solving in industries like audio/visual integration can produce substantial tax savings. By documenting and quantifying their R&D activities, this Utah A/V company unlocked more than \$300K in credit and strengthened their ability to reinvest in future growth.

“This project is a great example of how innovation happens in places most people wouldn't expect. The team here wasn't just installing equipment, they were solving complex engineering problems, integrating technologies that weren't designed to work together, and creating custom solutions for unique spaces. By documenting that process, we were able to help them secure over \$300,000 in tax credit that they can now reinvest into growing their business.”

Strata R&D Tax Group