Savings achieved through R&D tax credits

Quick facts

Name: US Pharmaceuticals

Industry: Healthcare

Established: 1981

Owner: Dinesh Patel

Employees: 46

Locations: 1

Headquarters: Pittsburgh, Pennsylvania

Product: RUN Powered by ADP

Business challenge: Unaware of qualifying R&D tax credits meant money was being left on the table that could be used to reinvest back into the company.

How ADP helped: ADP's team of experts was able to identify qualifying tax credits retroactively for three years and will help determine eligibility moving forward.

Learn more about US Pharmaceuticals at unipackinc.com

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US Pharmaceuticals is a contract manufacturing organization (CMO), private label manufacturer and distributor of over-the-counter pharmaceuticals. Their products sell through major retail pharmacies — including Walgreens, Rite-Aid and CVS — as private label brands and through institutional healthcare distributors. Unaware that the availability of R&D tax credits that could help reduce the company's tax liability was resulting in a missed opportunity to put money back into the business. Dinesh Patel, president, shares his story with ADP®.

A history with ADP

Prior to 1999, the company was much smaller — with approximately 10 to 15 employees — and we used to handle our own payroll. But as we grew past those numbers, I turned to ADP to handle that for us. Currently we're using the RUN Powered by ADP® platform and provide our employees with health insurance, 401(k) and worker compensation through ADP, too. So, I have a very long and successful history with the products and services that ADP offers.

Qualifying for tax credits

My experience with ADP has always been a positive one and what came next was just as welcome as it was unexpected. My new accountant contacted me and informed me that we might be eligible to qualify for existing R&D tax credits based on the type of projects we develop and work on. He did not have the time or resources to stay on top of the different types of credits available but suggested ADP could help. I was excited to learn this might be a possibility for the company and was very happy learn more about it.

Soon after, I was speaking with the ADP R&D tax credit team and they went into great detail how the tax credits — if eligible — can be beneficial to a company like mine as there was potential to save a substantial amount of money. They were very prepared and explained the various processes and resources ADP has in place that could help accurately determine our eligibility. Considering ADP's extensive experience of IRS regulations and tax knowledge, I felt confident they could identify credit opportunities — if any — available for us.

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President, US Pharmaceuticals

Putting savings back into the business

It wasn't long after our first discussion that the ADP R&D tax credit team moved forward to research what we may be qualified for. They reviewed the last three years of our operations and discovered that we were eligible for the tax credits which was welcome news because that money can be reinvested back into the business towards other development projects. One of my most important responsibilities is maintaining the financial health of the company by planning and forecasting accordingly. Realizing savings like this is a significant help in making that happen.

With all the information the ADP R&D tax credit team has available to them, I'm confident this will help continue to have a positive financial impact on our company. I am very pleased and don't think we would have accomplished anything close to this without the help of ADP. It's very inspiring and encouraging to potentially fund more R&D efforts and expand new ways to grow our business and best serve our clients.

Huge opportunity for small businesses

I think companies of all sizes can experience the effect of a large tax liability. Personally, I understand the challenges tax implications pose on a smaller business. But taking advantage of the ADP R&D tax credit solution has allowed us to realize opportunities we either were unaware existed or did not have the resources to explore. For our company, keeping up with technology and development trends within the pharmaceutical industry requires a considerable financial commitment to research and development activities. So being able to realize those tax credits affords us the ability to allocate more funds to areas that will help us continue to grow our business.

#workingfor

My start in this industry originates back home in India where my family's business was pharmaceutical manufacturing. Having that background is what helped fuel my drive to fulfill my own dreams of starting my own pharmaceutical company here in the United States. Customer care is a priority of mine and we try to tailor everything to meet or exceed our customer needs 110% of the time. It's our mission statement. And fortunately, we have been able to maintain that high standard and deliver on all commitments and promises by providing valued products and solutions to our customers.

About ADP SmartCompliance

ADP SmartCompliance is a cloud-based platform of outsourced services that integrates with many leading payroll, HR and financial systems to help you maintain HCM-related compliance, mitigate risk associated with noncompliance, improve efficiencies and drive operational growth. Its unified capabilities can help handle your health care, employment tax, tax credits, wage payments, employment verification, unemployment claims, W-2 management and wage garnishments needs. Your information is organized in one place to be concise and actionable.

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