

IRS Extends Grace Period for Perfecting Research Credit Refund Claims

November 17, 2023



The IRS has once again extended the transition period during which taxpayers have 45 days to perfect their research credit refund claim. Taxpayers will now have until **January 10, 2025**, instead of January 10, 2024, to “fix” a claim that is filed timely, but does not have all of the required information.

On October 15, 2021, the IRS released a Chief Counsel memorandum that notified taxpayers of additional detailed information that is required when making valid research credit refund claims. Treasury regulations require that for a refund claim to be valid, it must set forth sufficient facts to apprise the IRS of the basis of the claim.

The following information is referred to as the “**five essential pieces of information that must be provided by a taxpayer** for the IRS to adequately consider whether the refund claim can be paid or must be examined further”:

1. Identification of all the business components to which the research claim relates;
2. Identification of all research activities performed for each business

component;

3. Identification of all individuals who performed each research activity for each business component;
4. Identification of all the information each individual sought to discover for each business component; and
5. Total qualified employee wage expenses, total qualified supply expenses, and total qualified contract research expenses.

These requirements aim to expedite IRS decisions on which claims can be immediately paid and which will require further examination.

To discuss these and other matters of importance related to the R&D tax credit, contact your Anchin Relationship Partner or [Yair Holtzman](#), Leader of Anchin's R&D Tax Credits and Incentives Group.