

# R&D Tax Rollback Proposal Leaves CFOs 'on edge'

February 12, 2024



Many businesses applauded when a tax package containing a provision that would allow companies to immediately deduct domestic research and development expenses sailed through the U.S. House last week on a 357-70 vote. Under current tax law, domestic R&D expenditures paid or incurred in tax years beginning after Dec. 31, 2021 are required to be amortized over a five-year period. Prior to 2022, companies could immediately deduct these expenses in the year in which they were

paid or incurred.

“Everyone is on edge,” said [Yair Holtzman](#), a partner and R&D tax credits and incentives practice leader at the middle-market full-serve CPA firm Anchin in New York City. “This is top of mind for a lot of CFOs and CEOs of small companies. Everyone is hoping and praying that this proposed tax bill goes through.”

At the core of the problem for taxpayers regarding how R&D expenses currently stand is that the immediate outlay of cash that the current law requires comes in the same year that companies are already digging into their pockets to fund the projects, Holtzman said. “As one of my clients said, ‘does government really want me to take out a loan to pay my tax bill?’ The whole point was to stimulate and catalyze innovation and R&D in the United States and now we’re making it harder for small companies to do that,” he said.



**[Excerpted from the original article published by CFO Dive.](#)**