



Research credit and meal and entertainment services

Combining KPMG's tax experience with IBM Watson's cognitive capabilities



KPMG's Accounting Methods and Credit Services (AMCS) practice helps organizations achieve greater tax efficiency, improve cash flow, and mitigate the risks associated with a regulatory environment.

With a broad range of experience across industries, the AMCS group can advise many complex types of tax-related issues, including research & development credit and meals & entertainment expenses.





Credit for Increasing Research Activities (R&D Credit)

KPMG assists clients in identifying, calculating, and documenting tax deductions and credits for qualified R&D activities and expenditures. Our team of tax and accounting professionals, industry-experienced engineers, data and analytics specialists, and technology professionals leverage IBM Watson® help companies identify, organize, and verify R&D activities that qualify for tax credits more efficiently and effectively. Data is reviewed and analyzed against tax rules and supported by a confidence score. KPMG and IBM Watson use evidence-based reasoning, combining proprietary AI training with tax law and rules. The outcome is a robust deliverable established to sustain the R&D incentives.






Meals & entertainment expenses

Our AMCS professionals help organizations realize tax benefits and/or assess risk relating to their M&E expenditures. KPMG's combination of experience, the latest tax reform knowledge, and IBM Watson's cognitive automation technology make for an effective process to analyze M&E expenditures. Through the identification of potential deduction opportunities and exposures, KPMG can design and implement changes to current tax processes to ensure accurate and reliable reporting and accounting. Through the use of IBM Watson's advanced cognitive analytics and reasoning tools, organizations can make faster, more informed and accurate decisions.

What companies can gain:

-  Increasing ROI and improving financial return through higher-quality tax credits that can be reinvested for growth.
-  By not limiting the documentation reviewed, you can potentially discover new, eligible R&D activities and costs to increase the credit.
-  Improving efficiency by minimize disruption to your business with a less intrusive, less time-consuming approach.
-  Reducing risk by examining all documents and focusing the professional only on the most relevant, valuable passages to qualify projects.

What companies can gain:

-  Minimize erroneously disallowed deductions.
-  Reducing risk of "haircuts" by expanding sample size and providing more complete transaction analysis.
-  Improving cash flow as a result of a lower cash tax payment.
-  Improving record-keeping systems to gather potentially qualified M&E deductions.
-  Improving documentation.

IBM Watson: AI for business

An Artificial Intelligence platform for business, IBM Watson's cognitive technology follows the same logic and reasoning that humans use every day. KPMG's AMCS tax professionals train, not program, IBM Watson to enhance, scale, and accelerate tax analysis.

KPMG Tax Knowledge + IBM Watson



Leveraging AI, KPMG can maximize and sustain available federal and state tax benefits



Enables KPMG to review large volumes of contemporaneous documentation



Understands complex questions and evaluates many possible meanings to determine what is being asked



Makes considered arguments and prioritizes recommendations to assist KPMG professionals in making informed decisions



Facilitates the creation of deliverables for audit support

Contact us

Richard Marcos
Principal, National
Leader
KPMG LLP
T: 213-817-3188
E: rmarcos@kpmg.com

Ed Jankun
Managing Director,
National Leader
KPMG LLP
T: 704-371-8090
E: ejankun@kpmg.com

Todd Mazzeo
Managing Director
KPMG LLP
T: 212-872-3846
E: tmazzeo@kpmg.com

Gregory Homen
Managing Director
KPMG LLP
T: 214-840-2536
E: ghomen@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

[kpmg.com/socialmedia](https://www.kpmg.com/socialmedia)



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2019 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. The KPMG name and logo are registered trademarks or trademarks of KPMG International. NDPPS 851239