

Contact**Houston**

1200 Smith Street, Suite 1400
Houston, Texas 77002-4310
Tel: 713.658.1818
Fax: 713.658.2553

Atlanta

191 Peachtree Street, N.E.,
Forty-Sixth Floor
Atlanta, Georgia 30303
Tel: 404.659.1410
Fax: 404.659.1852

Philadelphia

300 Conshohocken State Road
Suite 570
West Conshohocken, PA 19428
Tel: 610.772.2300
Fax: 610.772.2305

San Antonio

112 East Pecan Street, Suite
1450
San Antonio, Texas 78205
Tel: 210.253.8383
Fax: 210.253.8384

The Federal Research Credit: Is It Worth All the Trouble?, Applied Clinical Trials

February 11, 2025

In an article published in Applied Clinical Trials on February 10, 2025, Special Counsel Victoria Sherlock discusses the history of the Federal Research Credit and the ways that it has been challenged by the IRS.

Sherlock explained that the credit has been modified and extended multiple times since 1981. Nevertheless, there is no question that the research credit provides significant tax savings and should be considered by pharmaceutical companies and other taxpayers that engage insubstantial research activities, she wrote.

Sherlock discusses more recent developments. However, in response to feedback from concerned taxpayers, the IRS reduced the number of business components that must be reported and made Section G optional for certain qualified small business taxpayers and those with total qualified research expenditures of less than \$1.5 million and equal to or less than \$50 million of gross receipts.

To view the full article, subscribers may [click here](#).