

Office of Chief Counsel  
Internal Revenue Service  
**Memorandum**

Number: **20214101F**

Release Date: 10/15/2021

CC:LB:3:CH:3:MYCHOU:  
POSTS-104459-20

UILC: 6402.04-00, 6402.04-02, 41.00-00

date: September 17, 2021

to: Cheryl Teifer  
Director, Field Operations Engineering  
(Large Business & International)

Lois Deitrich  
Director, Southwest Examination  
(Small Business/Self-Employed)

from: Kathryn A. Meyer  
Area Counsel  
(Small Business/Self-Employed)

Patricia P. Davis  
Acting Area Counsel  
(Large Business & International)

---

subject: I.R.C. § 41 Research Credit Refund Claims

**Questions Presented**

1. In an administrative claim for refund or credit ("refund claim") for the I.R.C. § 41 research credit, what information must a taxpayer include at the time the refund claim is filed with the Internal Revenue Service (the "Service") for the refund claim to be valid under Treas. Reg. § 301.6402-2(b)(1)?
2. What format must a taxpayer use when providing the information referenced above to the Service?

3. What considerations, if any, are there for the statute of limitations periods for a refund claim for an I.R.C. § 41 research credit?

### **Short Answers**

1. For a taxpayer's refund claim for the I.R.C. § 41 research credit to be valid, the taxpayer must, at a minimum:
  - Identify all the business components to which the I.R.C. § 41 research credit claim relates for that year.
  - For each business component:
    - identify all research activities performed;
    - identify all individuals who performed each research activity; and
    - identify all the information each individual sought to discover.
  - Provide the total qualified employee wage expenses, total qualified supply expenses, and total qualified contract research expenses for the claim year (this may be done using Form 6765, Credit for Increasing Research Activities).
2. A taxpayer must provide a declaration signed under the penalties of perjury verifying that the facts provided are accurate. In most cases, the signature on Forms 1040X or 1120X serves this function. Additionally, a taxpayer should provide the facts in a written statement rather than through the production of documents. However, if a taxpayer provides documents, including a credit study, the taxpayer must specify the exact page(s) that supports a specific fact. A mere volume of documents will not suffice to meet a taxpayer's obligation.
3. For the statute of limitations for credit or refund claims, there are no statutory provisions specific to I.R.C. § 41 research credit claims. Generally, taxpayers may be entitled to a credit or refund only if they have filed a valid claim within three years of the date the Form 1040 or Form 1120 was filed or two years from the time the tax was paid, whichever period expires later. The amount of the credit or refund shall not exceed the portion of the tax paid within the period immediately preceding the filing of the claim equal to three years plus any extension of time for filing the return. If no claim was filed within such three-year period, the amount of the credit or refund shall not exceed the portion of tax paid during the two years immediately preceding the filing of the claim. I.R.C. § 6511.