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**Sent via FEDEX: 770869718858**

L. Brimmer,  
Internal Revenue Service  
1111 Constitution Avenue NW  
Room 6526  
Washington, D.C. 20224

Re: Request for Comment on Form 6765

Dear Ladies and Gentlemen:

Pursuant to the Comment Request for Form 6765 contained in the Federal Register, 92 Fed. Reg. 49,453 (Oct. 2, 2017), alliantgroup, L.P. respectfully submits the following the following comments on Form 6765. alliantgroup is a national tax consulting services firm that works with CPA firms and their clients, generally in the small and mid-size business areas, to provide tax consulting services on a variety of complex topics including the R&D credit. In the course of working with CPA firms and clients, alliantgroup has observed difficulties that CPAs and return preparers may encounter in the preparation of Form 6765, particularly when preparing the form for a taxpayer that is a member of a controlled group as defined by Sec. 41(f). We believe that a solution exists that will alleviate taxpayer burden and will streamline tax administration. We look forward to working with the IRS and the Department of the Treasury on these and other matters.

**Controlled Groups and Form 6765**

Section 41(f) requires related taxpayers that are members of a controlled group of corporations or are trades or businesses under common control to compute the credit on an aggregate basis. The group's credit is then allocated to its members in accordance with their respective qualified research expenses ("QREs"). Thus, for example, if a controlled group has aggregate QREs of \$1,000,000 and a credit of \$100,000, and Group Member A has \$250,000 in QREs, Member A's allocated share of the group credit is \$25,000.

The instructions to Form 6765 require each member of a controlled group "[u]se Section A or B[, relating to the Regular Credit or Alternative Simplified Credit respectively], to figure the credit for the entire group." Each member is then instructed to enter its "share of the credit on line 17 or 34, whichever applies[, and a]ttach a statement showing how your share of the credit was figured." The statement also incomes the names and EINs of the other group members. The result is that Section A or B will include a credit amount on line 17 or 34 which does not agree mathematically with the lines preceding it. Because the prior lines include the information relevant

to the calculation of the group credit, line 17 or 34 would mathematically predict the full group credit, rather than the allocated credit the taxpayer is instructed to show.

While the instructions to Form 6765 appear straightforward, in practice we have observed that CPAs and preparers have great difficulty showing or are unable to show the allocated credit amount on line 17 or 34 in their return preparation software. Most return preparation software requires the preparer to override line 17 or 34, but some software does not permit these lines to be overridden. As a result some CPAs have been unable to show the group and allocated credits in the manner described in the instructions.

**Proposed Change: Form 6765-CG**

In order to enhance the quality, and clarity of the information to be collected, we propose the creation of a new R&D credit form for members of controlled groups and trades and businesses under common control. The new form, Form 6765-CG, would be capable of calculating the group credit and then determining the credit to be allocated to the member completing the form. The form would contain sections similar to Sections A and B on the current form 6765 which would show the calculation of the group credit. The form completed by each group member would show identical group credit information in these sections. There would then be an additional section showing the QREs of the member completing the form and the credit allocated to that member. This section could also include lines to show the other members of the group and their respective QREs, thus demonstrating the calculation of the allocated credit.

The use of proposed Form 6765-CG would increase the ease with which CPAs and return preparers could complete the credit calculation because they would avoid software related problems in the calculation of line 17 or 34. The proposed form would also improve clarity for the IRS by making it clear that the taxpayer calculated its credit as a member of a controlled group. The proposed Form 6765-CG would also improve clarity regarding the other taxpayers that were treated as members of the same group.

**Conclusion**

Thank you for the opportunity to comment on Form 6765. We welcome the chance to meet to discuss the above comments in greater detail or to answer any questions that you may have.

Respectfully submitted,



Dean A. Zerbe  
alliantgroup – National Managing Director