The California research and development credit is frequently a high-ticket item for taxpayers. Indeed, according to the California Franchise Tax Board’s (FTB) 2017 Annual Report, $1,440,103,626 of corporation tax research credits were allowed in 2016, which was 72.5% of total corporation tax credits allowed for that year.

In his article for the *Journal of Multistate Taxation and Incentives*, Eversheds Sutherland Senior Counsel Eric Coffill provides an overview of the major provisions and common issues regarding claiming and defending the research credit on audit.