

CASE STUDY

Manufacturing Leader Surpasses Expectations with \$15M Recovery



Client

Large multinational semiconductor manufacturer engaged in advanced chip fabrication and large-scale industrial construction projects across multiple U.S. jurisdictions.



Industry

Industrial Manufacturing / Semiconductor Fabrication



Project Timeframe

Several-month review of a major fabrication facility construction project.



Revenew Services

Sales & Use Tax Recovery
Construction Tax Advisory

Project Scope

The client engaged Renew to review sales and use tax paid during the construction of a major semiconductor fabrication facility in the United States.

The construction program was structured around large contractor "commit packages," each containing 100–200 invoices spanning multiple cost categories, including:

- Manufacturing equipment
- Construction materials
- Real property improvements
- Installation labor
- Mixed taxable and non-taxable components

Because many invoices included multiple categories of property and services, determining the proper tax treatment required detailed interpretation of manufacturing exemptions and construction tax rules.

Prior to the review, the client estimated the project might yield approximately \$1–\$1.5 million in potential recovery.

Key Challenge

The documentation structure created a highly complex review environment.

Each commit package included hundreds of invoices with mixed line items spanning multiple tax classifications. Many transactions required line-level interpretation of tax law, particularly in distinguishing between:

- Tangible personal property
- Real property improvements
- Manufacturing equipment
- Installation services

The client had previously attempted to analyze the data using an AI-based automation tool. However, due to the volume and legal nuance involved, automation alone could not resolve the classification complexity required for defensible recovery claims.

The project required both technical tax expertise and a scalable methodology capable of handling large construction datasets.

Revenew's Approach

Revenew implemented a structured review framework designed to efficiently analyze the construction commits while maintaining defensibility.

- Organized commit packages into logical review groups and prioritized high-value, high-risk categories
- Performed 100% line-item analysis on high-value categories totaling approximately \$10 million in tax paid
- Applied statistically supported projection techniques to additional lower-value transactions
- Identified inconsistencies in vendor tax application across similar invoice types
- Analyzed classification issues involving manufacturing equipment, tangible personal property, real property improvements, and installation labor
- Developed tax guidance documentation to support evaluation of future construction projects

Results

Revenew's review significantly exceeded the client's original expectations.

- \$15 million in total sales and use tax recovery opportunity identified
- More than 10x the client's original recovery estimate
- Strengthened tax treatment methodology for future capital construction projects
- Expanded engagement into additional manufacturing facilities across multiple states