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COALITION URGES CONGRESS TO EXTEND R&D TAX CREDIT *Group Praises Lawmakers for Recognizing Importance of Domestic R&D*

WASHINGTON, D.C., January 30, 2006 – As the Congress returns to legislative business, the R&D Credit Coalition calls upon the House and Senate to act swiftly and adopt the seamless extension of a strengthened R&D tax credit that was approved as part of each chambers' tax reconciliation bill. A one-year extension of a strengthened R&D credit was included as part of the Senate-passed Tax Relief Act of 2005 (S. 2020), and the House-passed Tax Relief Reconciliation Extension Act of 2005 (H.R. 4297).

In recent days key Senators have unveiled comprehensive legislative agendas focused on the need to enhance research and innovation in the United States. Common among all these proposals is the inclusion of a strong, permanent federal tax incentive for R&D. The Coalition applauds Senators Max Baucus, Orrin Hatch, Pete Domenici, Jeff Bingaman, John Ensign, Joseph Lieberman, along with Representatives Nancy Johnson, Ben Cardin and Dave Camp and others for their leadership on these issues.

The R&D tax credit is a proven, effective incentive for businesses to perform their research activities in the United States, thus creating high-wage jobs here and contributing to higher growth in the U.S. economy and in the overall standard of living for all Americans. Congress can take an important first step towards enhanced U.S. competitiveness by acting now to extend this important credit and adopt the modifications to current law that will make it a stronger incentive for even more research-intensive companies.

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The R&D Credit Coalition is a group of more than 85 trade and professional associations and more than 1,000 small, medium and large companies engage in U.S.-based research throughout major sectors of the U.S. economy, including aerospace, agriculture, biotechnology, chemicals, electronics, energy, information technology, manufacturing, medical technology, pharmaceuticals, software and telecommunications.