

**R&D Credit  
Coalition**  
Invest in America's Future

March 7, 2006

The Honorable Bob Goodlatte  
Chairman  
House Republican High-Tech Working Group  
Washington, DC 20515

The Honorable Lamar Smith  
Co-Chairman  
House Republican High-Tech Working Group  
Washington, DC 20515

Dear Representatives Goodlatte and Smith:

On behalf of the members of the R&D Credit Coalition, we commend the House Republican High Tech Working Group (HTWG) for including in H.R. 4845, "The Innovation and Competitiveness Act," a stronger, permanent R&D tax credit.

There is growing recognition that robust investments in technology and innovation are key to global competitiveness. By including a permanent and strengthened R&D tax credit among its priorities, the HTWG has seized on a proven and effective incentive for businesses to perform research in the United States, create high-wage jobs here, and contribute to an overall higher standard of living for our children and grandchildren.

As you know, the credit expired on December 31, 2005, forcing companies to make long-term decisions under a cloud of uncertainty. A short-term extension of the credit along with the needed changes in current law that will boost its incentive effect, are included in pending tax reconciliation legislation. Adoption of the pending provision will be a critical first step in achieving our shared, ultimate goal of a strong, permanent federal R&D tax incentive. We strongly encourage the members of the HTWG to push for a seamless extension of the modified R&D tax credit, and pledge to work with you on making this important tax policy permanent.

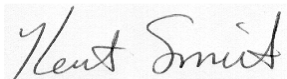
Sincerely,



Bill Sample  
Microsoft Corporation  
Chair, R&D Credit Coalition



Donna Siss Gleason  
The Boeing Company  
Vice Chair, R&D Credit Coalition



Keith H. Smith  
United Technologies Corporation  
Cochair, R&D Credit Coalition,  
Government Affairs Committee



Karen Myers  
CA  
Cochair, R&D Credit Coalition,  
Government Affairs Committee



Monica M. McGuire  
National Association of Manufacturers  
Executive Secretary, R&D Credit Coalition

1331 Pennsylvania Avenue, NW • Washington, DC 20004-1790 • (202) 637-3076 • [www.investinamericasfuture.org](http://www.investinamericasfuture.org)

---

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.