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R&D CREDIT COALITION STATEMENT ON THE “TAX INCREASE PREVENTION AND RECONCILIATION ACT”

WASHINGTON, D.C., May 17, 2006 – The R&D Credit Coalition issued the following statement today on the enactment of the “Tax Increase Prevention and Reconciliation Act.”

“President Bush signed into law today the “Tax Increase Prevention and Reconciliation Act.” While the members of the R&D Credit Coalition applaud the President for his commitment to competitiveness and economic growth, we stress that there is still work to be done to remove the tax increase on American innovation that will remain in place until a strengthened R&D tax credit is enacted into law.

The President and the Members of Congress repeatedly have endorsed a strong tax incentive for companies to undertake R&D activities in the United States. Unfortunately, the expired status of the credit is costly and disruptive to businesses trying to plan for the very R&D investments policymakers seek to encourage. It remains the number one priority of the Coalition to work with the President and the Congress for the expeditious enactment of the strengthened, broadly supported credit that has passed both the House and the Senate.”

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