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## ***TechNet Urges Congress to Extend R&D Tax Credit Now***

***-- Credit Set to Expire June 30 --***

Palo Alto, CA -- The Technology Network (TechNet) today urged Congress to extend and strengthen the R&D Tax Credit. The Credit lapses on June 30 and it is imperative that Congress enact a seamless extension of the Credit as soon as possible. TechNet has endorsed an extension of the R&D Tax Credit with the modifications contained in the recently approved Senate legislation.

"One of the most important things the government can do to create jobs and continue America's technology leadership is to seamlessly extend and strengthen the R&D Credit," said Rick White, President and CEO of TechNet. "A long-term extension of the R&D Credit is critical to U.S. dominance in vital industries and maintaining the United States' global economic leadership."

For over 20 years the R&D Credit has been a proven incentive for increasing industry's investment in U.S.-based research and development. Numerous studies support the Credit's effectiveness in encouraging corporate research expenditures above and beyond previous levels. The result has been new and innovative technologies, medicines, products and services that benefit Americans. Since its enactment in 1981, the R&D tax credit has demonstrated that it is a powerful and effective incentive for firms to increase research spending. The current extension of the Credit expires on June 30, 2004, making immediate, retroactive extension of the Credit an urgent priority.

"The Credit is a one of the best investments our country can make," said Rick White. "R&D expenditures have a high multiplier effect on the economy, resulting in increased innovation, productivity growth and job creation. Studies have confirmed that the Credit provides a significant return on investment. A lapse in the Credit will increase the cost of doing U.S.-based research for the thousands of innovative companies that use the Credit. We commend the House and Senate for approving an extension of the R&D Credit and we urge Congress to act now to adopt legislation that seamlessly extends and strengthens the Credit."

### **About TechNet**

*TechNet is the national, bipartisan network of CEOs that promotes the growth of technology industries and the economy by building long-term relationships between technology leaders and policymakers and by advocating a targeted policy agenda. TechNet, based in Silicon Valley, has offices in Seattle, Boston, Austin, and Orange County (California).*

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