

News Release

For Immediate Release

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CONGRESS SHOULD EXTEND AND STRENGTHEN R&D TAX CREDIT WHICH EXPIRES JUNE 30, 2004

*Without the credit, the cost of doing U.S.-based research by U.S. chemical companies,
employing U.S. workers, will increase after June 30, 2004*

ARLINGTON, VA (June 29, 2004) The R&D tax credit will expire on June 30, 2004. The American Chemistry Council (ACC) strongly supports bi-partisan efforts in Congress to extend and strengthen the R&D tax credit. ACC believes Congress should extend current law, and strengthen it in two ways. First, increase the Alternative Incremental Research Credit, and second, provide an alternative simplified credit calculation. Both of these enhancements will make the credit available to companies in the chemical industry less able to utilize the traditional R&D tax credit.

Investment in R&D increases productivity, creates new products, grows the economy, and raises living standards. Additionally, the credit helps keep high paying jobs in the U.S. because only R&D work performed here may qualify for the credit's extension.

The U.S. chemical industry is essential to providing products that make life healthier, safer, more secure and more productive. The industry is number one in private R&D spending (\$31 billion) and the industry is issued one of every seven patents. At \$458 billion, it is one of the largest industries in America and it is the number one exporter in the country.

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care, common sense advocacy designed to address major public policy issues, and health and environmental research and product testing. The business of chemistry is a \$460 billion enterprise and a key element of the nation's economy. It is the nation's largest exporter, accounting for ten cents out of every dollar in U.S. exports. Chemistry companies invest more in research and development than any other

business sector. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.