

For Immediate Release:
September 24, 2004

Contact:
Rob Haralson (202) 682-4443, rob_haralson@aeenet.org



AeA Applauds Congress for Passing Legislation to Extend R&D Tax Credit

Washington, D.C. – September 24, 2004 – AeA, a national trade association representing all segments of the high-tech industry, today applauded both the House of Representatives and the U.S. Senate for passing legislation that would extend the Research and Development Tax Credit through 2005. On Thursday, September 23, the House and Senate both passed the conference agreement on the Middle Class Tax Extenders bill (H.R. 1308), that includes an eighteen-month, seamless extension of the R&D tax credit.

“The support of this tax credit by both houses conveys a message that a commitment to research and development is vital to economic growth in the U.S.,” said William T. Archey, President and CEO of AeA. “The future of America’s high-technology industry is heavily dependent on its ability to develop and produce new commercial technologies ahead of the rest of the world. These investments have helped to build the American economy by creating an environment that stimulates innovation and entrepreneurship. We are pleased that the R&D Tax Credit has once again made it over this hurdle and we are confident of its enactment before then end of this congressional session.”

The new \$7.56 billion R&D extension is limited to work performed in the United States with approximately 75 percent of the credits devoted to employee wages. The credit is retroactive to this year's June 30 expiration date and extends through the end of 2005.

“However, AeA and the high-tech industry will continue to stress the importance of Congress returning next year and passing a permanent and stronger R&D Tax Credit,” said Archey. “When there is not a continuous R&D tax credit, tax planning for high-tech companies becomes a guessing game.”

- ## -

AeA, founded in 1943, is a nationwide trade association that represents all segments of the technology industry and is dedicated solely to helping our members' top line and bottom line. We do this in partnership with our small, medium, and large member companies by lobbying governments at the state, federal, and international levels, providing access to capital and business opportunities, and offering select business services and networking programs. For more information, please visit <http://www.aeenet.org>.