The Council for Chemical Research

1730 Rhode Island Ave., NW • Suite 302 • Washington, DC 20036
Phone: 202-429-3971 • Fax: 202-429-3976
Email: ccrmail@ccrhq.org • Website: http://www.ccrhq.org

NEWS MEDIA CONTACT
Donald B. Anthony

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CCR Study Confirms Quantitative Economic Value of Chemical Sciences R&D; Strongly Reinforcing the Case for Extension of the R&D Tax Credit

Coinciding with the emergence of U.S. innovation and global competitiveness issues on the national stage, the Council on Chemical Research (CCR) has just completed phase two of its five-year study on the quantitative impact of R&D in the chemical sciences, "Measure for Measure: Chemical R&D Powers the U.S. Innovation Engine." Experts, commissioned by the Council, found that research in the chemical sciences delivers a quantifiable return well in excess of both private industry's and the government's cost of capital. A detailed examination of patent and scientific literature confirmed that chemical industry innovation is directly linked to federally-supported basic research. Surprising and even more important, the analysis showed that chemical science research underpins technology development in every U.S. industry.

Today, for every dollar invested by the federal government in chemical sciences research, the chemical industry invests $5 of its own money in R&D to develop new products and processes. Econometric analysis in the study showed that $5, on average, generates $10 in increased corporate operating income. Macroeconomic modeling indicates that for each $10 dollar increase in chemical industry income, the economy gains roughly $40 dollars in GNP growth and $8 in increased tax

1) Funding high quality chemical sciences research in our nation's research universities and national laboratories.
2) Providing a favorable taxation environment that encourages corporate R&D investment and encourages that investment to be made in the U.S.

Extension of the research and development (R&D) tax credit is essential element of a favorable tax environment. The R&D tax credit works to stimulate R&D spending in the United States by leveling the global playing field. It is specifically designed to encourage the type of commercial R&D investment that ultimately drives U.S. economic growth and creates jobs.

CCR is a non-profit organization dedicated to advancing multi-sector, multi-disciplinary research in the chemical sciences and engineering. Its member organizations – companies, universities and government laboratories – are represented in CCR by their top research leaders.