

News Release



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R&D Tax Credit Sustains Innovation, Creates Jobs

Washington, D.C. (November 13, 2006) — Renewing and making permanent the federal research and development tax credit would help America's pharmaceutical research companies sustain their world-leading development of new medicines for millions of patients, according to PhRMA President and CEO Billy Tauzin.

"At a time when it takes 10 to 15 years to research and develop one new drug at an average cost of \$1 billion, it is important to have this key research incentive in place," Tauzin said. "A permanent renewal of the R&D tax credit would mean Congress is committed to not only the development of new medicines and other essential products for the patients and consumers of America, but also the creation of jobs for American workers."

Tauzin also noted that the National Association of Manufacturers estimates more than 75 percent of R&D tax credit dollars are used for salaries of employees engaged in research and development work.

Tauzin said renewing and making permanent the R&D tax credit could be particularly important to continued development of new cutting-edge biotechnology medicines, which are being used today to treat a growing number of patients with a wide range of diseases. "With more than 400 biotechnology drugs in development – including 210 for cancer and 50 for infectious diseases – and billions of dollars committed to research, it is important to preserve the incentives that help companies sustain their innovation," he said. "We must do everything we can to continue this innovative enterprise because, in the end, it is patients – and millions of them -- who benefit."

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the country's leading pharmaceutical research and biotechnology companies, which are devoted to inventing medicines that allow patients to live longer, healthier, and more productive lives. PhRMA companies are leading the way in the search for new cures. PhRMA members alone invested an estimated \$39.4 billion in 2005 in discovering and developing new medicines. Industry-wide research and investment reached a record \$51.3 billion in 2005.

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PhRMA Internet Address: <http://www.phrma.org>

For information on how innovative medicines save lives, visit: <http://www.innovation.org>

For information on the Partnership for Prescription Assistance, visit: <http://www.pparx.org>

For information on the danger of imported drugs, visit: <http://www.buysafedrugs.info>