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## **Douglass: Pass R&D Tax Credit During Lame Duck**

**Arlington, Va.** – Congress should pass the research and development tax credit during the lame duck session to boost innovation and job creation, AIA President and CEO John Douglass said Tuesday.

The credit is vital to the aerospace and defense industry, a huge economic engine for the United States and provider of the vital equipment to American war fighters, Douglass said.

“The R&D tax credit represents a sound fiscal policy that supports a dynamic aerospace industrial base at home and the operational requirements of our war fighters abroad,” Douglass said.

The credit provided financial incentives to encourage companies to pursue high-risk product development that results in technical innovations. These innovations fuel the aerospace and defense industry, which has more than 635,000 employees and accounts for a \$40 billion positive trade balance, the largest of any U.S. manufacturing sector. More than 75 percent of the credit went directly to wages and salaries for the tens of thousands of aerospace workers in the United States.

Congress first passed the measure in 1981 and extended it 11 times over 24 years, but it expired in December 2005. This year an extension passed the full House and a Senate committee, but fell short of final approval.

Douglass said it is important Congress pass the measure, which enjoys bipartisan support, during the lame duck session since it would otherwise fall by the wayside for several additional months.

AIA is an active member of the R&D Tax Credit Coalition, an effort including more than 1,000 companies and dozens of trade associations championing a strengthened and permanent credit.

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