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NAM CALLS ON CONGRESS TO RESTORE AND STRENGTHEN R&D CREDIT ASAP

“Credit Keeps Manufacturers Competitive,” Engler Says

WASHINGTON, D.C., November 14, 2006 – As legislators return to Washington to finish business for the 109th Congress, the National Association of Manufacturers called on lawmakers to send the President a bill that will seamlessly restore and strengthen the R&D credit. “This credit creates jobs, spurs technological innovation and keeps manufacturers competitive,” said NAM President John Engler.

“Unfortunately, November marks the 11th month since the R&D tax credit expired,” he said. “The lapse of the credit and the uncertainty about its future has increased the cost for U.S.-based R&D. It is increasingly more difficult for companies to commit to future high-risk, high-dollar R&D investments that would create high-wage jobs in the U.S.”

Manufacturers claimed nearly 70 percent, or \$3.8 billion, of R&D credit claims in 2003 and performed 70 percent of all business R&D in the U.S. in 2004. “This credit keeps manufacturers competitive in the global race for R&D investment dollars,” Engler said. “It fuels the innovation that translates into new products and increased productivity.

“The NAM is pleased there is bipartisan support in both chambers to strengthen and extend the credit this year,” he said. “Because of the importance of this incentive as a lifeline to innovation and technological advancements, we urge you [Congress] to act quickly to strengthen and extend this critical tax provision as soon as possible.”

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The National Association of Manufacturers is the nation's largest industrial trade association, representing small and large manufacturers in every industrial sector and in all 50 states. Headquartered in Washington, D.C., the NAM has 10 additional offices across the country. Visit the NAM's award-winning web site at www.nam.org for more information about manufacturing and the economy.