

SEMI URGES ENACTMENT OF R&D TAX CREDIT NOW

Semi and R&D Credit Coalition say American Competitiveness at Stake

WASHINGTON, D.C. – Tuesday, November 14, 2006 – SEMI urged Congress to address a piece of critical and unfinished business vital to American competitiveness by extending a seamless R&D tax credit, at a press conference on Capitol Hill today. SEMI was joined by several other companies and associations in the R&D Credit Coalition pressing Congress to make this a priority before the end of the year.

During the State of the Union on January 31, 2006, the President introduced the American Competitiveness Initiative, which identified R&D tax credit permanency as a priority. This announcement came one month after the credit expired on December 31, 2005. Despite the fact that both parties have embraced the R&D tax credit as a key component of innovation and American competitiveness, Congress has not acted on this issue.

“The R&D tax credit renewal has been set aside at the last minute while it was on track for enactment twice this year.” stated SEMI North America President, Victoria Hadfield. “We are at the end of the year and the semiconductor equipment and materials industry is concerned that Congress is not committed to getting this done before the conclusion of the 109th Congress.”

“With such a broad range of support from Republicans and Democrats this should be addressed immediately to avoid a tax on innovation,” Hadfield continued. “It’s time for Congress to reaffirm its support of American competitiveness and innovation by enacting a seamless extension.”

SEMI represents over 700 U.S. companies in the \$65 billion worldwide semiconductor equipment and materials industries. These industries supply the enabling technologies, including raw materials and advanced tools, to produce every semiconductor-based product. SEMI members spend between 15-20 percent of revenues on R&D. The credit helps to make this investment possible and encourages long term R&D support and promotes high-wage job growth. The current proposal of the R&D tax credit would extend it through 2007, apply it retroactively, and make improvements.

SEMI is a global industry association serving companies that provide equipment, materials and services used to manufacture semiconductors, displays, nano-scaled structures, micro-electromechanical systems (MEMS) and related technologies. SEMI maintains offices in Austin, Beijing, Brussels, Hsinchu, Moscow, San Jose (Calif.), Seoul, Shanghai, Singapore, Tokyo and Washington, D.C. For more information, visit www.semi.org.

ASSOCIATION CONTACTS:

Ken Schramko/SEMI
Tel: 1.202.289.0440
E-mail: kschramko@semi.org

Scott Smith/SEMI
Tel: 1.408.943.7957
E-mail: ssmith@semi.org