



**Software Finance & Tax Executives Council**  
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*For Immediate Release  
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## **SOFTWARE INDUSTRY HAILS INTRODUCTION OF LEGISLATION MODERNIZING THE R & D TAX CREDIT AND MAKING IT PERMANENT**

The computer software industry hails today's introduction of legislation authored by Congressmen Sander Levin (D-MI) and Dave Camp (R-MI), and co-sponsored by 28 other members of the House Ways and Means Committee, that would modernize the R & D tax credit and make it permanent. Quick passage of this legislation this year is important because the current credit expires again at the end of this year.

The R & D tax credit (enacted in 1981 and extended twelve times since then) provides a proven and critical incentive for US companies to locate and retain high-skill, high-paying R & D jobs in the US, which is especially important at a time when other countries are offering permanent tax incentives to attract R&D investments abroad..

According to Mark Nebergall, President of the Software Finance and Tax Executives Council (SoFTEC), "The US and its trading partners compete with one another for these valued R & D jobs. The R & D credit is a proven and effective incentive that encourages companies to locate new R & D jobs in the U.S. rather than offshore. It is important that Congress provide continuity and certainty with regard to the credit so businesses may consider it when deciding where to source R&D projects."

"The crux of the R & D credit is U.S. jobs," Nebergall continued. "Companies don't get the R & D tax credit for research done outside the U.S.; the credit is based on incremental increases in R & D spending and is available only for research performed in the U.S." The R&D credit is central to job creation: over 75% of credit-eligible expenditures are for wages paid to U.S. workers. "The R&D credit helps the U.S. compete with the myriad tax and economic incentives provided by our foreign trading partners."

SoFTEC is a trade association providing software industry focused public policy advocacy in the areas of tax, finance and accounting. All SoFTEC's members sell their products globally, however they conduct the great majority of their R & D in the US.