



Statement

For Immediate Release

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Contact: Tiffany Harrington (703) 741-5583

Email: tiffany_harrington@americanchemistry.com

CHEMICAL MAKERS ENCOURAGE CONGRESS TO REINSTATE R&D TAX CREDIT

Expired deadline will impose grave financial consequences for U.S. chemistry industry

ARLINGTON, VA (December 23, 2005) – The American Chemistry Council (ACC) today expressed disappointment that Congress did not pass legislation to extend and expand the Research and Development (R&D) tax credit.

When the credit expires on December 31st, 2005, U.S. businesses will face negative financial consequences, and some research projects currently underway may be jeopardized. American companies view the credit as an important component in determining the financial feasibility of research initiatives.

For nearly 16,000 companies in all 50 states, the tax credit helps increase investment in U.S. based research. R&D is a critical component that fuels new products, increased productivity and innovation, all of which are vital to the American economy. More than 75% of the tax credit dollars are used to provide highly skilled, high wage jobs in America.

ACC encourages Congress to pass retroactive legislation in early 2006 to extend and expand the R&D tax credit, and thereby encourage the growth and competitiveness of the U.S. chemistry industry and other American enterprises.

“Many foreign governments offer their manufactures better R&D incentives than the U.S.,” stated ACC President & CEO Jack N. Gerard. “Congress must act to ensure American competitiveness in an increasingly global environment.”

The U.S. chemistry industry provides essential, life-saving products and is one of the nation’s largest exporting sectors.

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care, common sense advocacy designed to address major public policy issues, and health and environmental research and product testing. The business of chemistry is a \$520 billion enterprise and a key element of the nation's economy. It is one of the nation's largest exporters, accounting for ten

1300 Wilson Blvd., Arlington, VA 22209 Tel 703-741-5000 Fax 703-741-6000 <http://www.americanchemistry.com>

cents out of every dollar in U.S. exports. Chemistry companies invest more in research and development than any other business sector. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.