

05-409

FOR IMMEDIATE RELEASE

CONTACTS:

HANK COX (202) 637-3090

MONICA McGUIRE (202) 637-3076

WITH R&D CREDIT SET TO EXPIRE, NAM URGES CONGRESS TO GET JOB DONE EARLY IN NEW YEAR

McGuire Says, Unfortunately, Cost of Critical Research Will Rise in Meantime

WASHINGTON, December 29, 2005 – Explaining that sustained U.S. economic growth depends more than ever on the innovation derived from research and development, the National Association of Manufacturers today urged Congress to renew and strengthen the R&D tax credit – set to expire December 31 – promptly upon returning to work in 2006.

“Our U.S. economy and our manufacturing sector in particular have shown promising signs for many quarters, and it would be a shame to jeopardize this healthy expansion and job growth simply for lack of sufficient R&D investment,” reasoned NAM Senior Director for Tax Policy Monica McGuire. “Congress needs a New Year’s resolution to quickly renew the R&D credit.

“For nearly 16,000 companies of all sizes in all 50 states, the R&D credit helps boost their investment in crucial research done here at home,” McGuire said. “As the current credit expires, the cost of such R&D for these companies will immediately begin to rise.

“In addition to good paying manufacturing jobs, our economy’s innovation and competitiveness are at stake,” McGuire said. “Canada, Ireland, China, France and many other economic competitors are actively courting U.S. R&D activity with a variety of incentives. If lawmakers don’t quickly turn to extending and strengthening our own R&D credit when they get back to work next year, they’ll have to accept responsibility if research formerly done here in America moves overseas.”

-NAM-