

## **SEMI DISAPPOINTED WITH R&D TAX CREDIT EXPIRATION**

*Congress Fails to Extend R&D Tax Credit*

**WASHINGTON, DC. – December 23, 2005** – SEMI has expressed its disappointment with the failure of the U.S. Congress to extend the Research & Experimentation Tax Credit (R&D tax credit).

The first session of the 109<sup>th</sup> Congress has officially adjourned for 2005 without approving a one-year extension to the R&D tax credit. The credit expires December 31, 2005 and this will be the twelfth time it has lapsed.

“The R&D tax credit is vital to American innovation,” said Victoria D. Hadfield, president of SEMI North America, “and to allow it to expire is a blow to our member companies’ ability to invest in R&D. Because of this lapse, current R&D projects will become more expensive. The estimated cost for future R&D projects will become more expensive as well, making it more difficult for companies to make these investments in the United States. This is unfortunate at a time when we are facing strong global competition. We should be doing more.”

Hadfield continued, "SEMI urges the Congress to enact a permanent R&D tax credit to end this damaging cycle and to promote innovation in the United States. At a minimum, Congress must pass a retroactive extension to the R&D tax credit as soon as they reconvene in 2006."

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](http://www.semi.org).

### **ASSOCIATION CONTACTS:**

Scott Smith/SEMI  
Tel: 1.408.943.7957  
E-mail: [ssmith@semi.org](mailto:ssmith@semi.org)

Ken Schramko/SEMI  
Tel: 1.202.289.0440  
E-mail: [kschramko@semi.org](mailto:kschramko@semi.org)