

# Congress of the United States

Washington, DC 20515

October 2, 2009

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives

The Honorable John Boehner  
Minority Leader  
U.S. House of Representatives

The Honorable Charles Rangel  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives

The Honorable Dave Camp  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives

Dear Speaker Pelosi, Leader Boehner, Chairman Rangel, and Ranking Member Camp:

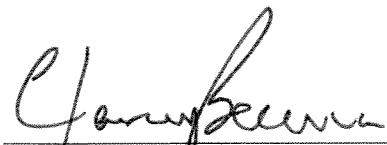
As Members of the California Congressional Delegation, we urge you to enact legislation that extends and strengthens the Internal Revenue Code section 41 research and development (R&D) tax credit. The credit plays a critical role in funding cutting-edge research projects in California and across the nation, helping to transform our nation's economy to meet the challenges of the 21<sup>st</sup> century.

Particularly in California, the federal R&D tax credit is a vital component of increased private sector research spending. The most recent data rank California first in the United States in R&D activity, measured both in terms of firms reporting such activity and total dollars expended on R&D. In fact, R&D activity in California alone accounted for 22% of all R&D spending in the United States.

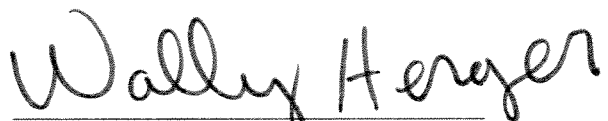
California's economy has been hit hard by the current recession, with our state's unemployment rate topping 10 percent. However, robust research spending from both the public and private sectors can help boost our state's economy, creating new technologies and jobs to improve the lives of our citizens. Only costs associated with research performed in the United States are eligible for the credit, and a significant majority of the expenses claimed are for wages paid to U.S. employees. The R&D credit has proven itself to be an effective means of encouraging companies to increase their U.S.-based research activities and to keep jobs created through those activities in California and, as a result, in the United States.

The competitiveness of the U.S. economy is closely tied to the ability of our companies to make a sustained commitment to long-term, cost-intensive research. Extending and strengthening the R&D tax credit will encourage companies to undertake innovative research that will help revitalize our economy and create U.S. jobs. We look forward to working with you to continue our shared commitment to incentivizing research and development in the United States.

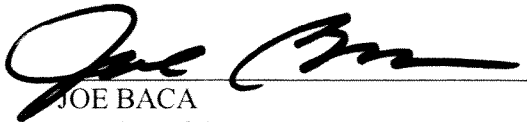
Sincerely,





XAVIER BECERRA  
Member of Congress

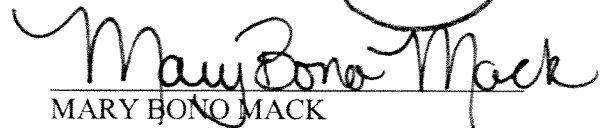



WALLY HERGER  
Member of Congress

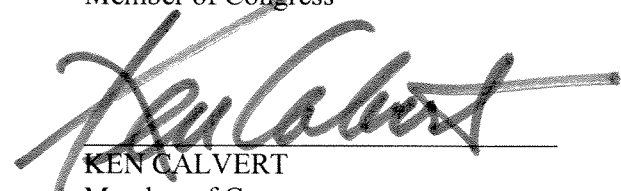
  
JOE BACA  
Member of Congress

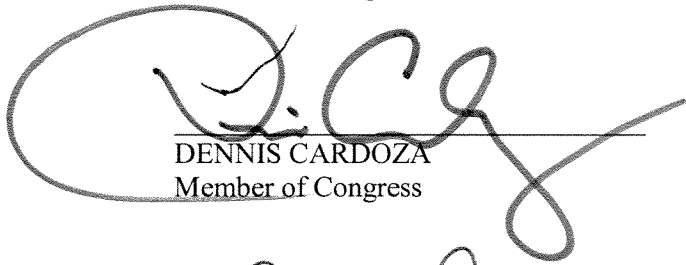
  
BRIAN BILBRAY  
Member of Congress


  
HOWARD BERMAN  
Member of Congress

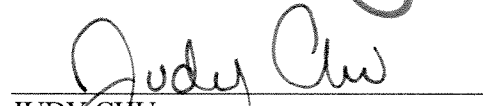
  
MARY BONO MACK  
Member of Congress

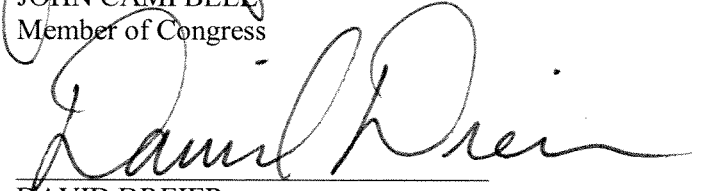
  
LOIS CAPPS  
Member of Congress

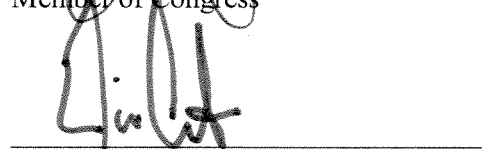
  
KEN CALVERT  
Member of Congress

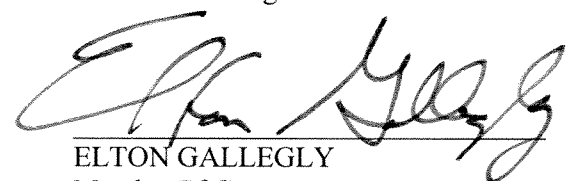
  
DENNIS CARDOZA  
Member of Congress

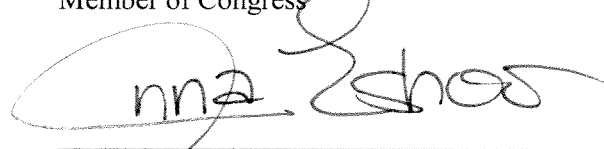
  
JOHN CAMPBELL  
Member of Congress

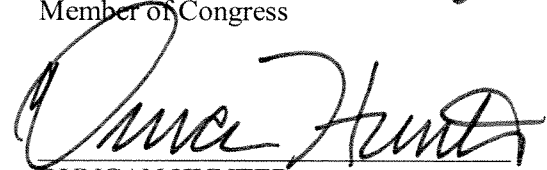
  
JUDY CHU  
Member of Congress

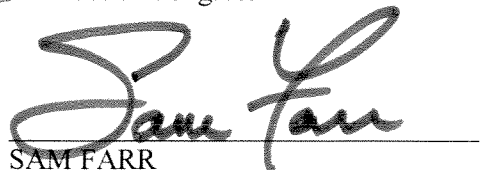
  
DAVID DREIER  
Member of Congress

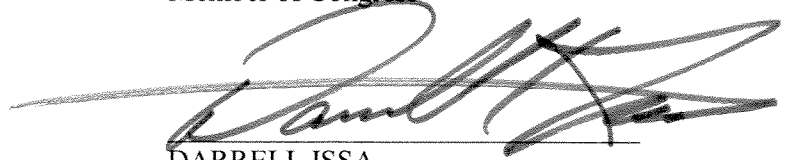
  
JIM COSTA  
Member of Congress

  
ELTON GALLEGLY  
Member of Congress

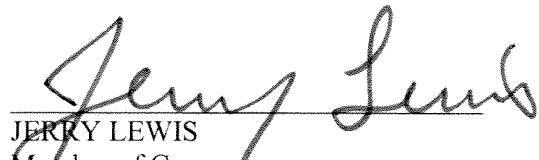
  
ANNA ESHOO  
Member of Congress

  
DUNCAN HUNTER  
Member of Congress

  
SAM FARR  
Member of Congress

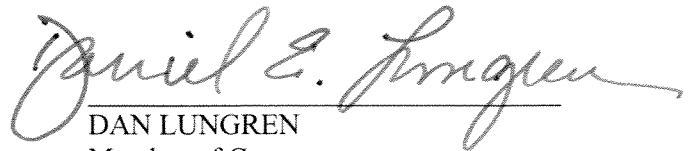
  
DARRELL ISSA  
Member of Congress

  
BOB FILNER  
Member of Congress

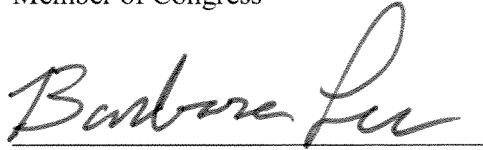
  
JERRY LEWIS  
Member of Congress



MICHAEL HONDA  
Member of Congress



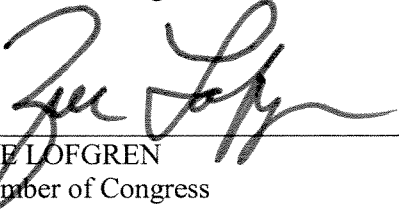
DAN LUNGREN  
Member of Congress



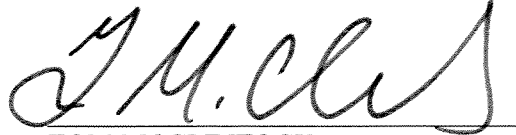
BARBARA LEE  
Member of Congress



KEVIN MCCARTHY  
Member of Congress



ZOE LOFGREN  
Member of Congress



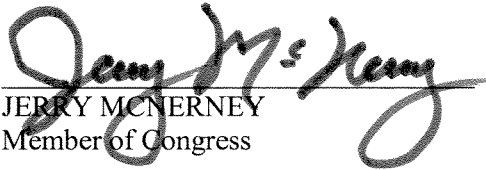
TOM MCCLINTOCK  
Member of Congress



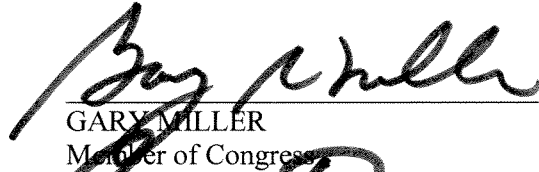
DORIS MATSUI  
Member of Congress



HOWARD MCKEON  
Member of Congress



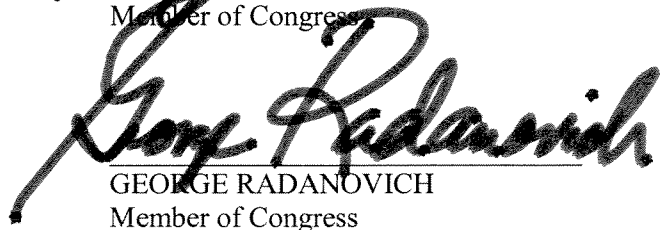
JERRY MCNERNEY  
Member of Congress



GARY MILLER  
Member of Congress



GRACE NAPOLITANO  
Member of Congress



GEORGE RADANOVICH  
Member of Congress



LAURA RICHARDSON  
Member of Congress



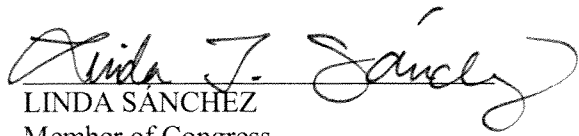
DANA ROHRABACHER  
Member of Congress




LUCILLE ROYBAL-ALLARD  
Member of Congress




ED ROYCE  
Member of Congress

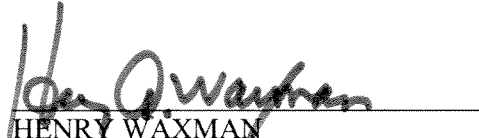
  
LINDA SANCHEZ  
Member of Congress

  
JACKIE SPEIER  
Member of Congress

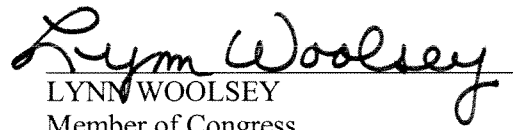
  
LORETTA SANCHEZ  
Member of Congress

  
MIKE THOMPSON  
Member of Congress

  
ADAM SCHIFF  
Member of Congress

  
HENRY WAXMAN  
Member of Congress

  
BRAD SHERMAN  
Member of Congress

  
LYNN WOOLSEY  
Member of Congress