



Invest in America's Future

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October 4, 2011

Support Research and Development Jobs in America

Modernize and Make Permanent the R&D Tax Credit, Cosponsor S. 1577

Dear Senator:

The undersigned companies urge you to cosponsor S. 1577, *The Greater Research Opportunities with Tax Help Act of 2011 (GROWTH Act)*, which would strengthen and make permanent the U.S. R&D tax credit.

Now more than ever, we need to advance policies that encourage long term capital investments, create jobs, strengthen the economy, and spur innovation in the United States.

The Baucus-Hatch legislation simplifies and strengthens the U.S. R&D tax credit by increasing the "alternative simplified credit" from 14% to 20% and making it permanent. This predictability, in addition to the more globally competitive credit included in S. 1577, will create a powerful incentive for research jobs to be located in the U.S. and advance United States leadership in the competition for global R&D investment dollars.

In fact, a recent study by Ernst & Young shows that the R&D credit has a significant impact on U.S. employment. Specifically, the study shows that research-oriented employment in the U.S. is significantly higher because of the existing credit and would be even higher with the strengthening of the alternative simplified credit. The combination of the existing credit and its strengthening results in an increase of 130,000 jobs in the short-term and 300,000 jobs in the long term.

The R&D credit was first enacted in 1981, but since that time, it has been extended some 14 times. Without action this year, the credit will expire for the fifteenth time on December 31, 2011. In addition to this uncertainty, other countries are moving ahead of us by offering stronger innovation tax incentives to attract research and development and the good-paying jobs that go with it to their markets. In 2009, the U.S. ranked 24th out of 38 industrialized countries in the strength of its R&D tax incentives; in the mid-1980s, the U.S. R&D tax credit was the best in the world. It is time we get back on the playing field by modernizing the R&D

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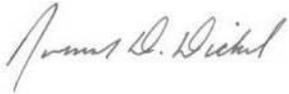
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The R&D Credit Coalition is a group of more than 100 trade and professional associations along with small, medium and large companies that collectively represent millions of American workers engaged in U.S.-based research throughout major sectors of the U.S. economy, including aerospace, agriculture, biotechnology, chemicals, electronics, energy, information technology, manufacturing, medical technology, pharmaceuticals, software and telecommunications.

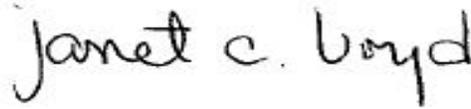
tax credit so that we can keep American jobs and innovation here at home.

Thank you for your consideration. We hope you will support this effort by cosponsoring S. 1577.

Sincerely,



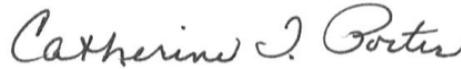
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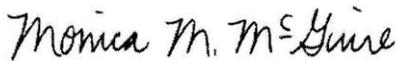
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