

May 11, 2017

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

On behalf of the millions of employees represented by the companies and related trade organizations which comprise the R&D Credit Coalition, we urge you to maintain and seek to strengthen the research and development (R&D) tax credit as a part of any comprehensive tax reform plan.

Thank you for your past support for the R&D credit, which promotes innovation and enhances U.S. competitiveness. We are pleased that during the campaign, your tax reform plan included a proposal to retain the R&D tax credit. We understand the 2017 Tax Reform for Economic Growth and American Jobs plan was purposely kept high-level and hope that you will continue to support this important credit. As the Administration and Congress consider various tax reform options, the Coalition recommends retaining the permanent credit, adopting proposals that make the credit more effective at incentivizing additional research activities in the U.S., and rejecting proposals that would limit or hinder companies from making research investments.

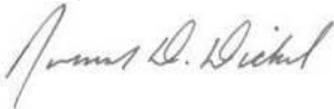
The R&D tax credit is a proven incentive to maintain and create high-paying jobs and stimulate positive economic benefits. The Coalition recommends increasing the Alternative Simplified Credit (ASC) rate from 14% to 20% as a means to both enhance the benefits of the credit and improve efficiency and credit compliance. The calculation for the ASC is much simpler for taxpayers to comply with compared to the regular credit and using the ASC would help improve credit administration. Importantly, given that Congress has made the regular credit option and the ASC option permanent, providing parity for both options at a 20% rate would enhance the incentive effect of the credit.

The Coalition is concerned about proposals that would reduce the attractiveness of investing in U.S. research projects, such as previous proposals to limit the use of the R&D tax credit or require lengthy amortization of research costs and urge the Administration to reject such proposals.

We believe, and economists agree, that the credit helps maintain the United States competitiveness in R&D – a vital element for the creation of high-quality jobs that will support economic growth and a strong manufacturing base across our nation.

The R&D Credit Coalition looks forward to working with your Administration and Congress to continue and strengthen the R&D tax credit.

Sincerely,



Ronald D. Dickel  
Intel Corporation  
Chair, R&D Credit Coalition

cc: Secretary Mnuchin, National Economic Council Director Cohn

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