

October 11, 2022

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi and Minority Leader McCarthy,

We, the undersigned businesses and trade associations collectively employing millions of Americans, write to urge Congress to take immediate action to reverse a harmful tax change that threatens jobs and innovation in America.

Innovation is one of America's greatest strengths and a significant contributor to job and economic growth, competitiveness and national security. It is for these reasons that for nearly 70 years the tax code has recognized the importance of research and development by allowing businesses to fully deduct their R&D expenses in the same year. However, beginning this year, businesses must amortize or deduct these expenses over a period of years, making R&D more costly to conduct in the U.S.

Failing to reverse this change will cost well-paying jobs and reduce future innovation-directed R&D. Requiring the amortization of research expenses will reduce R&D spending and lead to a loss of more than 20,000 R&D jobs in the first five years with the number of lost jobs rising to nearly 60,000 over the following five years. Moreover, when accounting for the spillover effect from R&D spending, nearly three times as many jobs will be affected.<sup>1</sup> This same study also found that for every \$1 billion in R&D spending, 17,000 jobs are supported in the U.S.

As a result of this change, the U.S. is now one of two developed countries requiring the amortization of R&D expenses. Meanwhile, China currently provides a super deduction for R&D expenses up to an extra 100% of eligible R&D expenses in addition to actual R&D expenses. At a time of increasingly fierce global competition for research dollars, this change will make it harder for the next R&D dollar to be spent in the U.S. which will ultimately hurt future U.S. competitiveness.

The amortization requirement also poses a serious threat to our national security if not reversed. As the National Science and Technology Council has noted, R&D investments "are essential to

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<sup>1</sup> See EY, Impact of the Amortization of Certain R&D Expenditures on R&D Spending in the U.S. at i (2019), <https://investinamericasfuture.org/ey-impact-of-the-amortization-of-certain-rd-expenditures-on-rd-spending-in-the-united-states/>.

ensure that the United States remains able to secure and protect the American people in the face” of other countries increasing support for R&D.<sup>2</sup>

For these reasons, we respectfully urge Congress to act without delay to ensure that the tax code continues to support innovation as doing so will help secure America’s global leadership in innovation and its economic and national security future.

Signed,

3M  
A Raymond Corporate North America Inc  
Raymond Corporate NA  
AbbVie  
Abicor Binzel USA, INC.  
Absolute Technologies  
Accu-Mold, LLC  
AdvaMed  
Advance Engineering Company  
AECOM  
Aerospace Industries Association  
Agiros Pharmaceuticals  
AICC, The Independent Packaging Association  
Air-Conditioning, Heating & Refrigeration Institute  
Alaska Chamber  
Albert Basse Associates, Inc.  
Alliance for Automotive Innovation  
Alliance for Competitive Taxation  
Allied Systems Company  
AMD, Inc.  
American Automotive Policy Council (AAPC)  
American Bakers Association  
American Chemistry Council  
American Cleaning Institute  
American Colors, Inc.  
American Composites Manufacturers Association  
American Council of Engineering Companies  
American Forest & Paper Association  
American Foundry Society  
American Frozen Food Institute  
American Mold Builders Association  
American Welding Society  
American Woodmark Corporation  
Ames Chamber of Commerce  
Amkor Technology  
Amkor Technology, Inc  
Ampere Computing  
AMT- The Association For Manufacturing Technology  
Analog Devices, Inc.

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<sup>2</sup> Subcommittee on Research and Development Infrastructure, Committee on Science and Technology Enterprise of the National Science and Technology Council, National Strategic Overview for Research and Development Infrastructure at 23 (October 2021).

AnyLogic North America, LLC  
Applied Materials, Inc.  
Aptiv  
AR State Chamber/AIA  
ARC-Tronics Inc.  
Arizona Builders Alliance  
Arizona Chamber of Commerce & Industry  
Arizona Manufacturers Council  
Asheville Area Chamber of Commerce (NC)  
ASML  
Associated Industries of Florida  
Associated Industries of Missouri  
Associated Industries of Vermont  
Association for Uncrewed Vehicle Systems International  
Association of Washington Business  
Aster Labs, Inc.  
AT&T  
Automated Pet Care Products, LLC (dba Whisker)  
Autos Drive America  
Avencell Therapeutics  
AVL North America  
Baker Hughes  
Ball Corporation  
BC Partners, LLC  
Beeline.com  
Bell's Brewery  
Biotechnology Innovation Organization  
B-K Tool & Design, Inc.  
Black Buffalo, Inc.  
Bluewater Technologies Group, Inc.  
BorgWarner Inc.  
Boulder Scientific Company, LLC  
Brewer Science  
Brick Industry Association  
Bristol TN/VA Chamber of Commerce  
Brunswick Corporation  
B-Unlimited, Inc  
Business & Industry Association of New Hampshire  
Business Council of Alabama  
The Business Council of New York State, Inc.  
Business Roundtable  
Cadillac Casting, Inc.  
California Manufacturers & Technology Association  
Cambria Regional Chamber (PA)  
Can Manufacturers Institute  
Capital Area Manufacturing Council (MI)  
Cardinal FG  
Cardinal Glass Industries  
The Carpet and Rug Institute  
Carrier  
Cascade Die Casting Group, Inc.

Cashco, Inc.  
Cast Aluminum Solutions  
Cedar Rapids Metro Economic Alliance (IA)  
Cellulose Insulation Manufacturers Association  
Certis Oncology Solutions, Inc  
Chamber of Commerce Hawaii  
ChargePoint, Inc.  
Charles River Laboratories International, Inc.  
CHROMiX, Inc.  
Cirrus Aircraft  
Coastal Automotive (MI)  
Cognizant Technology Solutions  
Colorado Advanced Manufacturing Association  
Colorado Chamber of Commerce  
Compass Mortgage, Inc.  
Composite Panel Association  
Composites International, Inc.  
Computing Technology Industry Association  
Connecticut Business & Industry Association  
Contemporary Control Systems, Inc.  
Continental  
Core Health & Fitness, LLC  
Corning Incorporated  
Council Bluffs Area Chamber of Commerce (IA)  
Council of Industry of Southeastern New York (NY)  
Cybernet Systems Corporation  
Dearborn Holding Company, LLC  
Delaware Manufacturing Association  
DENSO International America, Inc.  
Detroit Manufacturing Systems  
Dunn-Edwards Corporation  
Eastman  
Eaton  
ECIA - Electronic Components Industry Association  
Edgewater Automation, LLC  
Edward Segal Inc.  
EFK Moen, LLC  
Energy Workforce & Technology Council (TX)  
ENGLAND, THIMS & MILLER, INC.  
EOTECH  
F&S Tool, Inc.  
Falcon Plastics Inc.  
Faurecia  
Federal Equipment Company  
Feyen-Zylstra, LLC  
The Fynder Group, Inc.  
Financial Executives International (FEI)  
First Line Technology, LLC  
Ford  
Forging Industry Association  
Fragrance Creators Association

Garden State Precast, Inc  
GE Appliances, a Haier company  
GE HealthCare  
GECOM Corp  
Genentech, A Member of the Roche Group  
General Aviation Manufacturers Association (GAMA)  
General Dynamics  
General Plastics & Composites, LP  
Giffin, Inc.  
Glier's Meats, Inc.  
Global Business Alliance  
Global Imaging  
Gowan Milling Company LLC  
Grand Rapids Foam Technologies  
Greater Durham Chamber of Commerce (NC)  
Greater North Dakota Chamber  
Greater Omaha Chamber (NE)  
Greater Pittsburgh Chamber of Commerce (PA)  
Greater Yakima Chamber of Commerce (WA)  
Gresham Smith  
Griffin Tool, Inc.  
H3 Manufacturing  
Halff Associates, Inc.  
Haltec Corporation  
Helicopter Association International (HAI)  
Helms Performance Group  
Hendrickson USA LLC  
Honeywell  
Hornady Mfg. Co.  
Howe Corporation  
Hunter Industries  
Huntington Ingalls Industries  
Idaho Association of Commerce and Industry  
Illinois Manufacturers' Association  
Image Options  
ImageMark Business Services, Inc.  
IMS Companies, LLC  
INDA - Association for the Nonwoven Fabrics Industry  
Independent Can Company  
Indiana Manufacturers Association  
Induron Coatings, LLC  
Industrial Control Repair Inc.  
Information Technology Industry Council  
Intel Corporation  
International Mold Corporation  
International Paper  
International Sleep Products Assn  
Ionis Pharmaceuticals, Inc.  
Iowa Association of Business and Industry  
Jamison Door Company  
Jessup Manufacturing

JOST International Corporation  
Kansas Chamber and the Kansas Manufacturing Council  
Keats Manufacturing Co.  
Kennametal Inc.  
Kentucky Association of Manufacturers  
Kimberly-Clark  
Koppers Inc.  
The Kraft Heinz Company  
Kreative Technologies, LLC  
Kyocera AVX Components Corporation  
LABI  
Lacks Enterprises, Inc  
LaFrance Corp  
LAL Acquisition, Inc.  
LDJ Manufacturing  
Lear Corporation  
Lechler, Inc.  
Leggett & Platt, Inc.  
Lockheed Martin Corporation  
Louisiana Pacific Building Solutions  
LSV Asset Management  
Lucerne International Inc,  
M4 Factory, Inc,  
MAC VALVES, INC.  
Magna  
MAHLE Industries, Incorporated  
Maine State Chamber of Commerce  
Manufacturing Alliance of Philadelphia (PA)  
Marshall Area Chamber of Commerce (MN)  
Martin Yale Industries, LLC  
Maryland Chamber of Commerce  
Mason West  
MBO America  
Mercury Systems  
Merritt Aluminum Products Company  
Merritt Trailers Inc.  
Metal Powder Industries Federation  
Metals Service Center Institute  
Metalsa Structural Products, Inc.  
Metro Atlanta Chamber (GA)  
Michelin North America, Inc.  
Michigan Manufacturers Association  
Michigan Polymer Reclaim, Inc.  
Microchip Technology Incorporated  
MIFAB, Inc.  
Miles Fiberglass & Composites Inc  
Miniature Custom Mfg., LLC  
Minnesota Chamber of Commerce  
Mississippi Manufacturers Association  
Modernistic Inc  
Montana Chamber of Commerce

Morrell Group  
Morrison Products, Inc.  
Motor & Equipment Manufacturers Association (MEMA)  
National Association of Chemical Distributors (NACD)  
National Bulk Equipment, Inc.  
National Business Aviation Association  
National Defense Industrial Association (NDIA)  
National Electrical Manufacturers Association  
National Marine Manufacturers Association  
National Tooling and Machining Association  
National Wooden Pallet & Container Association  
Natural Alternatives International, Inc.  
North Carolina Chamber  
NCTA - The Internet & Television Association  
Nebraska Chamber of Commerce & Industry  
Nelson Irrigation Corporation  
Nevada Manufacturers Association  
New Balance Athletics  
New Holland Brewing Company LLC  
New Jersey Business & Industry Association  
New Mexico Business Coalition  
NewHold Enterprises LLC  
NextPhase Medical Devices LLC  
Nielsen-Kellerman Co.  
Niowave, Inc.  
Non-Ferrous Founders' Society  
North American Association of Food Equipment Manufacturers (NAFEM)  
North American Die Casting Association  
North Carolina Manufacturers Alliance (NCMA)  
Northeast Pennsylvania Manufacturers & Employers Association  
Northrop Grumman Corporation  
Novartis  
NSSF  
Oakwood Metal Fabricating Co  
The Oakwood Group  
The Ohio Manufacturers' Association  
O-I  
Omnicell, Inc.  
O'Neal Industries, Inc.  
Onsemi  
Oregon Business & Industry  
Outform  
Owens Corning  
Panasonic Corporation of North America  
Parsons Corporation  
PBS Engineering and Environmental Inc.  
PEI  
Pennsylvania Chamber of Business & Industry  
Pennsylvania Manufacturers' Association  
PFI Holdco LLC  
Pioneer Service Inc

Piston Group LLC  
Plante & Moran, PLLC  
Plastic Plate, LLC  
Plastics Industry Association  
Plumbing Manufacturers International  
PMA Technologies LLC  
PMMI The Association for Packaging and Processing Technologies  
Polymeric US  
Precast/Prestressed Concrete Institute  
Precision Machined Products Association  
Precision Metalforming Association  
Prestige Printing  
Pridgeon & Clay, Inc.  
Printing United Alliance  
Professional Services Council (PSC)  
Qualcomm Incorporated  
Quanergy Systems, Inc.  
Quasonix, Inc.  
R L Industries Inc.  
Rare Disease Company Coalition  
Raytheon Technologies  
Regal Rexnord Corporation  
Rennco Automation  
Request Foods Inc  
Rhode Island Manufacturers Association  
RL Industries, Inc.  
Roanoke Regional Chamber of Commerce (VA)  
Robert Bosch LLC  
Rockwell Automation Inc.  
Rolls-Royce North America  
Rosti North America (FKA: Plastic Components, Inc.)  
RP Abrasives  
RTM ENGINEERING CONSULTANTS  
Rabadue Wire Co., Inc.  
SABIC  
Sarepta Therapeutics  
Schaeffler Group USA  
Schuylkill Chamber of Commerce  
Scot Forge  
Semiconductor Industry Association  
Sequoia Automatic, Inc.  
Shape Corp.  
Silicon Valley Tax Directors Group  
Simmons Knife & Saw  
Skilled Manufacturing, Inc  
Skyworks Solutions  
Society of Chemical Manufacturers & Affiliates  
Somerset County Chamber of Commerce (PA)  
Source Elements  
Source3Media  
South Carolina Chamber of Commerce



SouthernCarlson, Inc.  
Span Tech LLC  
Specialty Tooling Systems  
Star Iron Works, Inc.  
Star Plastics, LLC  
The State Chamber of Oklahoma  
Stealth BioTherapeutics  
Steel Manufacturers Association  
Sturdy Corporation  
T. Baker Smith, LLC  
TACO INC  
Tata Technologies Inc.  
TechNet  
Technoform Glass Insulation NA Inc  
Tenable  
Tennessee Chamber and Manufacturers Association  
Texas Association of Business  
Texas Association of Manufacturers  
Texas Instruments Incorporated  
Textile Care Allied Trades Association  
Therma-Tron-X, Inc  
Thomas & Hutton Engineering Co.  
The Timken Company  
Tooling Systems Group, Inc.  
Trabon Printing Company, Inc.  
Trademark Die & Engineering Inc.  
Treated Wood Council  
Triangle Package Machinery Company  
Tri-Merit, LLC  
Truck Trailer Manufacturers Association, Inc.  
U.S. Chamber of Commerce  
Umicore USA Inc  
United Therapeutics Corp.  
Utah Manufacturers Association  
V3 Companies, Ltd.  
Valley Industrial Association  
Verizon  
Vermeer Corporation  
Versa-Tags, Inc.  
Vinyl Institute  
Walker Tool & Die, Inc.  
Water and Wastewater Equipment Manufacturers Association  
Wells Printing Co., Inc  
West Virginia Manufacturers Association  
Westmoreland County Chamber of Commerce (PA)  
WestRock  
WGI  
The Willamette Valley Company LLC  
Whisman Giordano & Associates, LLC  
WhistlePig, LLC  
WilliamsRDM, Inc.

Window & Door Manufacturers Association  
Wisconsin Manufacturers & Commerce  
ZF North America, Inc.

cc: The Honorable Ron Wyden  
The Honorable Mike Crapo  
The Honorable Richard Neal  
The Honorable Kevin Brady