



AeA Urges Congress to Act on Permanent R&D Tax Credit

Tax credit a critical component of U.S. competitiveness

Washington, DC (January 4, 2006) -- AeA, the nation's largest trade association representing all segments of the high-tech industry, today urged Congress to renew and strengthen the research and development (R&D) tax credit as soon as possible.

"Continued growth of our economy is inextricably tied to the ability of companies to make a sustained commitment to long-term research," said William T. Archey, President and CEO of AeA. "It is important that Congress provides a proven incentive for U.S. companies to increase their investment in US-based research and development. This tax credit is a vital component in ensuring our Country's competitiveness in the global economy."

On December 31, 2005, the R&D tax credit expired for the 12th time since its inception in 1981. Both the House and Senate passed tax reconciliation bills with provisions that would expand and strengthen the credit, however, Congress adjourned for 2005 before an agreement could be reached. AeA urges Congress to retroactively adopt these provisions early in 2006.

The R&D credit plays a vital role in ensuring U.S. competitiveness in global markets. Since its inception, investments in technology and innovation have spurred economic growth and contributed to the United States' high standard of living. Many countries recognize the importance of R&D spending and now offer more generous R&D tax incentives than the United States.

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About AeA

AeA, founded in 1943 by David Packard, is the largest high-tech trade association in the United States with nearly 3,000 companies, representing all segments of the industry and 1.8 million employees. Currently, AeA has 18 offices in and around the United States, as well as offices abroad in Brussels and Beijing. Our primary purpose is helping our members' top and bottom lines by providing the following services: Access to Investors; State, Federal & International Lobbying; Insurance Services; Government Procurement; Business Networking; Foreign Market Access; Select Business Services; and Executive Education.

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