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COALITION URGES CONGRESS TO RESTORE R&D TAX CREDIT

WASHINGTON, D.C., June 29, 2004 – The research and development (R&D) credit will expire tomorrow, once again, withdrawing critical support for businesses to invest in long-term technology and innovation activities in the United States. The members of the R&D Credit Coalition urge the Congress to act quickly to provide a seamless extension for the credit and to adopt the modifications to strengthen its incentive effect that were recently approved by the Senate as part of the Jumpstart Our Business Strength (JOBS) Act of 2004.

“We are encouraged that both the House and Senate have endorsed another extension of the credit and look forward to working with the Congress to ensure that legislation to extend and strengthen the credit is enacted expeditiously. The expiration of the credit means that projects already in the pipeline are now more expensive and the projected cost of future U.S.-based research activities goes up. For some companies losing this support could be the difference between a project getting the green light or being put back on the shelf,” said Coalition Chairman Bill Sample.

“Companies must comply with the law as it is. Despite the strong support that Congress has shown for the R&D credit, the expired credit can no longer be assumed in projecting project costs or making financial statements. There are hiring decisions and project plans that hinge on the incentives that the credit can provide. We strongly encourage Congress to ensure that the credit is extended seamlessly and that it is effective for all research intensive companies,” said Karen Myers, co-chair of the Coalition’s Government Affairs Committee.

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