



FOR IMMEDIATE RELEASE – June 30, 2004

Contact: Linda Rozett/David Felipe

Chamber Urges Lawmakers to Restore R&E Tax Credit

WASHINGTON, D.C. – The United States Chamber of Commerce called on Congress to extend the research and experimentation tax credit that is set to expire today, citing the enormous influence that technological advancement and innovation has on the U.S. economy.

“The R&E credit is a powerful incentive for businesses of all sizes to increase research investment,” said Bruce Josten, Chamber executive vice president for government affairs. “Allowing it to expire will not only substantially increase the cost of doing business for the nearly 16,000 companies that rely on it, but also curtail the benefits that research and development has on our economy.”

The R&E tax credit encourages technology-based companies to invest additional resources into the research, development and experimentation of various products and services, which promotes both job creation and broad economic expansion. More than 75 percent of credit dollars are earned on wages paid to people directly involved in R&E.

A permanent extension of the credit, rather than temporarily renewing it during the political bargaining process, would provide businesses with continuity and certainty, according to the Chamber. The permanent credit would allow business to make long range planning decisions, which are key in many fields where it takes years of research before a product can be brought to the market. In addition, by making the tax credit permanent, companies will be able to rely on the credit throughout the term of their multi-year projects.

The U.S. Chamber of Commerce is the world’s largest business federation, representing more than three million businesses of every size, sector and region.

www.uschamber.com

###

04 - 94