



**For Immediate Release**

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***Expiration Date Approaches: Automotive Suppliers Urge Congress to Restore Critical R&D Credit***

WASHINGTON, D.C. – With the research tax credit (R&D credit) set to expire Wednesday, June 30, the Motor & Equipment Manufacturers Association (MEMA) urges Congress to act quickly both to restore the credit and to adopt modifications that will strengthen its incentive value. The cost of doing U.S.-based research for the nearly 16,000 companies that use the R&D credit, including many of MEMA's member companies, will increase after June 30.

According to MEMA, thousands of motor vehicle product manufacturers contribute to the daily lives of America's citizens. Without these parts and systems suppliers, today's vehicles would not be as safe, environmentally friendly, comfortable, high-tech or useful. "Automotive suppliers are leading the way in advanced vehicle safety technology, creating new systems and features that will guarantee a safer ride for all Americans," said MEMA President Scott Meyer. "However, these innovations are expensive and require a great deal of investment on the part of the automotive supplier industry. The R&D credit helps to foster and expand this critical work and to ensure that automotive parts manufacturers will be able to continue transforming ideas into tangible benefits for consumers."

The R&D credit helps maintain and sponsor innovation in the United States, Meyer noted. As the credit solely addresses U.S.-based R&D activities, this benefit helps keep high-skilled, high-wage manufacturing jobs in the country. U.S. manufacturers need a permanent R&D credit to remain competitive on the global stage. Many competing nations, such as Canada, France, India, the UK and Japan, provide significant and, in many cases, permanent R&D incentives to their domestic businesses. In a time when U.S. manufacturing has sustained significant job losses over the past few years, this incentive is an important facet to restoring strength to the sector.

MEMA applauds the members of the House and Senate who recently passed legislation to extend the credit by 18 months. MEMA also urges that final legislation should include the Senate-passed modifications that strengthen the incentive value of the R&D credit to allow more companies to perform research activities in the United States.

The automotive supplier industry also remains a primary supporter of small manufacturers in the United States with each average Tier 1 original equipment supplier representing a base of 1,300 lower-tier suppliers and parts manufacturers. The ability to access the R&D credit benefits all of these businesses and enhances the ability of companies of all sizes to make their future investments in the United States. U.S. automotive suppliers compete daily on a global playing field; Congress must continue the R&D credit to ensure that our companies are not left behind.

Growth in jobs and raising America's standard of living depend on U.S.-based investments in research and innovation. Congress must act quickly to restore seamlessly and strengthen this important tax credit.

MEMA ([www.mema.org](http://www.mema.org)) exclusively serves the aftermarket and original equipment automotive and heavy duty product manufacturing industry. MEMA supports its members through its three market segment associations: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA) and Original Equipment Suppliers Association (OESA).