

News Release

For Immediate Release

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ACC APPLAUDS R&D TAX CREDIT EXTENSION

Investment in Research and Development Provides Real Economic Stimulus to Economy

ARLINGTON, VA. (September 24, 2004) – The American Chemistry Council (ACC) applauds recent action by Congress to extend the research and development (R&D) tax credit. With overwhelming majorities, both the House and the Senate passed bills extending the credit retroactively to its expiration date last June. “Congressional leaders understood the importance of moving forward with a seamless extension of this credit to give American business leaders assurance that their investment in R&D is valued as an engine of U.S. economic growth,” stated ACC Executive Vice President Charles Van Vlack.

Investment in R&D increases productivity, creates new products, grows the economy and raises living standards. Additionally, the credit helps keep high paying jobs in the U.S. because only R&D work performed here may qualify for the credit’s extension.

The U.S. chemical industry is essential to providing products that make life healthier, safer, more secure and more productive. The industry is number one in private R&D spending (\$31 billion) and the industry is issued one out of every seven patents. At \$458 billion, it is one of the largest industries in America and it is the number one exporter in the country.

In fact, ACC believes Congress should take further steps to strengthen the recently extended credit by increasing the Alternative Incremental Research Credit and providing an alternative simplified credit calculation.

Van Vlack concluded, “Research and development by our companies have helped make life for the average American better in just about every measurable way. In recent years, these innovations also have led to increases in productivity and new technologies, spawning economic growth and new jobs. No one should dismiss this importance of expanding this type of research.”

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care, common sense advocacy designed to address major public policy issues, and health and environmental research and product testing. The business of chemistry is a \$458 billion enterprise and a key element of the nation's economy. It is the nation's largest exporter, accounting for ten cents out of every dollar in U.S. exports. Chemistry companies invest more in research and development than any other business sector. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.