



The Honorable Charles Grassley
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Bill Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Max Baucus
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Charles Rangel
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jon Kyl
Chairman
Senate Republican Policy Committee
U.S. Senate
Washington, DC 20510

The Honorable Jim McCrery
Chairman
Subcommittee on Social Security
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Pete Stark
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

May 3, 2006

Dear Tax Reconciliation Legislation Conferees:

As the Board of Directors of the Information Technology Association of America (ITAA), representing its 350 members, we strongly urge you to enact as soon as possible a seamless extension of the R&D tax credit which expired on December 31, 2005 along with the enhancements to the credit included in the tax reconciliation bills passed by the House and Senate. Swift enactment of these important provisions is critical to our member companies.

The House and Senate tax reconciliation bills would significantly strengthen the current credit by increasing the Alternative Incremental Credit (AIRC) rates and by providing an alternative simplified credit (ASC) calculation. These enhancements will allow more information technology companies to benefit from the credit and increase their investment in innovation. Extending and strengthening the R&D tax credit represents a critical investment in America's future.

The credit expired on December 31, 2005, and many of our companies may be facing adverse financial consequences. For some, research projects currently underway grow more expensive every day that the credit remains inactive and new projects are postponed indefinitely.

Information Technology Association of America

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America's future is inextricably linked to the ability of companies to make a sustained, reliable commitment to long-term research conducted in the U.S. Congress has consistently demonstrated support for the R&D Credit. In order to provide stability and to guarantee that all companies performing research in the U.S. are able to benefit from the credit, we ask you to enact as soon as possible a seamless extension of a strengthened R&D tax credit.

Sincerely,

Robert Laurence
VP & General Mgr, Public Sector
Sybase, Inc.

Linda Gooden
President
Lockheed Martin Information Technology

Dave Sanders
President, Commercial Solutions
Perot Systems

David Olive
General Manager
Fujitsu Ltd - DC

Greg Baroni
President, Global Public Sector
Unisys Corporation

Henry J. Steininger
Managing Partner, Public Sector
Grant Thornton LLP

David Belanger
Chief Scientist and Vice President,
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William Sweeney
VP Global Govt Affairs
EDS Corporation

Renny DiPentima
President & CEO
SRA International, Inc

Dr. Jim Treleaven
President and CEO
Catalyst International, Inc.

George Newstrom (ex officio)
CEO and President
Wisper Technologies