

Congress of the United States

Washington, DC 20515

December 16, 2005

The Honorable Dennis Hastert
Speaker
U.S. House of Representatives

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives

The Honorable William Thomas
Chairman
Committee on Ways and Means

The Honorable Charles Rangel
Ranking Member
Committee on Ways and Means

Dear Speaker Hastert, Leader Pelosi, Chairman Thomas, and Ranking Member Rangel:

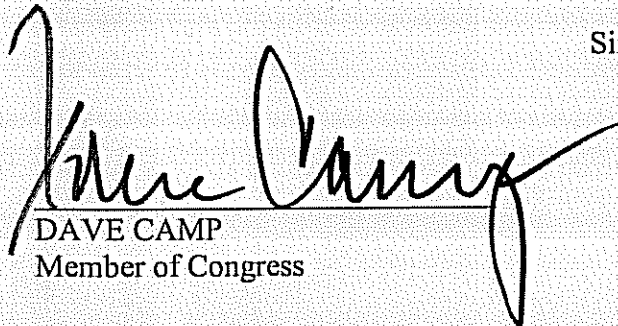
As Members of the Michigan Congressional Delegation, we respectfully request that the Tax Relief Extension Reconciliation Act retain the language in the House bill that extends and strengthens the federal R&D tax credit. The R&D Credit, which will expire December 31, 2005, for the 12th time, is a powerful incentive for the nearly 16,000 companies of all sizes in all 50 states that use the credit to undertake and increase research activities in the United States.

The manufacturing sector is the largest user of the R&D credit. As such, the R&D credit is important to Michigan, which ranks as one of the top 10 states in reported R&D activity with more than 1,300 companies performing research and development in our state. The continued growth of our state's economy is closely tied to the ability of Michigan companies to make a sustained commitment to long-term, high cost research.

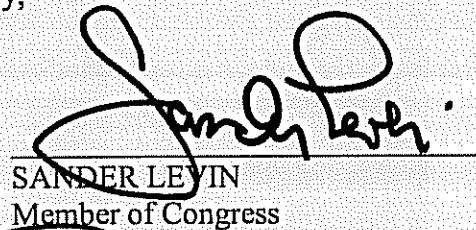
Newly reported data shows that more generous and often permanent R&D tax incentives offered by competitor nations help explain why foreign-based R&D spending grew faster than U.S.-based R&D spending in 2003. An R&D credit extended and strengthened with the modifications found in H.R. 4297 would be a powerful incentive for companies to undertake and increase domestic research activities.

A vibrant research sector is critical to ensuring the U.S. remains a world leader in R&D. We strongly support the R&D credit provisions contained in the House bill and urge they be retained in conference.

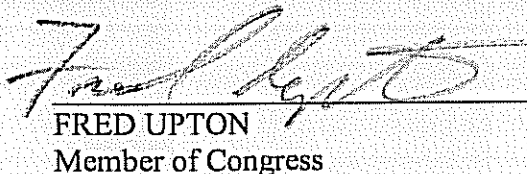
Sincerely,



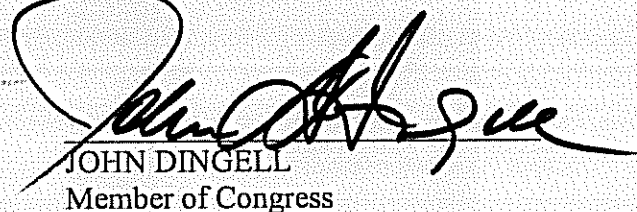
DAVE CAMP
Member of Congress



SANDER LEVIN
Member of Congress

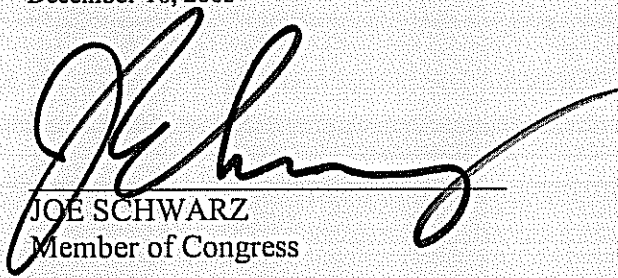


FRED UPTON
Member of Congress

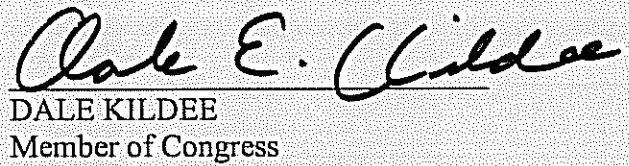


JOHN DINGELL
Member of Congress

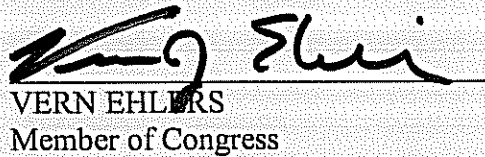
December 16, 2005



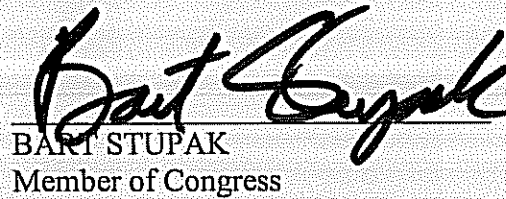
JOE SCHWARZ
Member of Congress



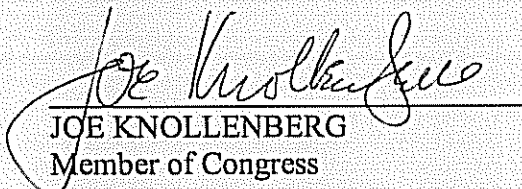
DALE KILDEE
Member of Congress



VERN EHLERS
Member of Congress



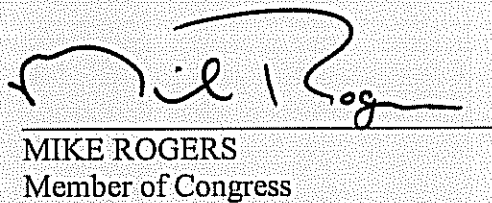
BART STUPAK
Member of Congress



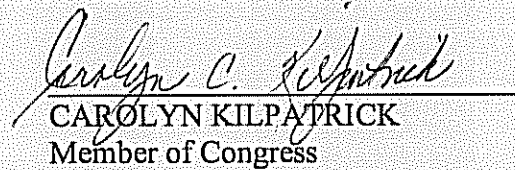
JOE KNOLLENBERG
Member of Congress



JOHN CONYERS
Member of Congress



MIKE ROGERS
Member of Congress



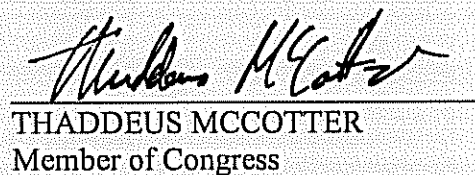
CAROLYN KILPATRICK
Member of Congress



CANDICE MILLER
Member of Congress



PETE HOEKSTRA
Member of Congress



THADDEUS MCCOTTER
Member of Congress