

May 8, 2014

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth HOB
Washington, D.C. 20515

Dear Chairman Camp:

I am writing on behalf of the Institute of Electrical and Electronics Engineers-United States of America (IEEE-USA) to support the American Research and Competitiveness Act of 2014 (H.R. 4438.) Permanent extension of the Research and Development (R&D) tax credit is the right thing to do.

Research and development is a vital component of this country's economic engine, and a key to U.S. global leadership in science and technology. Similarly, the tax credit is an essential incentive for companies to help mitigate the risk of investing in research that may not be realized in profitable products for many years to come, but will ultimately make the United States more competitive in the emerging global market. By providing an incentive for expanding private-sector investments in technology, the R&D Tax Credit improves productivity and encourages technological innovations that help sustain U.S. competitiveness, create jobs, and ensure our national security.

To provide an effective incentive to the private sector for expanding R&D investments, it is critical that the R&D tax credit be made permanent, so that it can be factored into business planning on a consistent and predictable basis. The current R&D tax credit has been extended almost yearly, since first enacted in 1981. But the uncertainty created by these short-term extensions discourages companies from investing in critical, long-term, high-risk research projects that have historically shown tremendous payoffs in economic growth, productivity gains and jobs. Recent studies show that a permanent R&D tax credit produces approximately a dollar for dollar increase in current research spending. Additionally, since almost 70 percent of R&D tax credit dollars claimed is for the salaries of research employees, the credit benefits technologists, engineers, and scientists directly by fostering high-skilled, high-wage jobs in the United States. At a time when U.S. companies are increasingly looking to develop products for foreign markets offshore, the R&D tax credit encourages companies to keep a greater portion of R&D, and the related jobs, in the United States.

We thank you for your leadership in this important legislation, and urge Congress to support it.

IEEE-USA is an organizational unit of the Institute of Electrical and Electronics Engineers, Inc. (IEEE), the world's largest organization for technical professionals, and a leading educational and scientific association for the advancement of technology. IEEE-USA fosters technological innovation for the benefit of all, including more than 200,000 U.S. engineers, scientists, and allied professionals who are members of the IEEE. If we can be of further assistance, please contact James Savage in our Washington office at (202) 530-8330 or email at james.savage@ieee.org.

Sincerely,



Dr. Thomas Tierney
Vice President, IEEE-USA Government Relations Council



May 8, 2014

The Honorable Kevin Brady
U.S. House of Representatives
301 Cannon House Office Building
Washington, DC 20515

Dear Representative Brady:

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