



February 12, 2015

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The Honorable Paul Ryan, Chair
The Honorable Sander Levin, Ranking Member
House Committee on Ways and Means
1101 Longworth House Office Building
Washington, DC 20515

Statement for Record: Markup of H.R. 880, A bill to amend the Internal Revenue Code of 1986 to simplify and make permanent the research credit

Dear Chairman Ryan and Ranking Member Levin:

On behalf of Research!America, the nation's largest advocacy and public education alliance committed to advancing medical research and development, I am writing in support of the American Research and Competitiveness Act of 2015 (H.R. 880).

Research!America and its members support a fair and simplified tax code that reflects our nation's priorities. According to our polling, Americans place a strong emphasis on medical research, development, and innovation as a national priority. An overwhelming majority of Americans believe that investing in medical innovation is an engine of growth that creates good jobs and fuels the economy. In addition, more than half of Americans expressed their support for making the research and development (R&D) tax credit permanent.

The simplified, permanent R&D tax credit proposed in H.R. 880 is a common sense modification of this credit, one that would help grow the economy, make the tax code fairer, and promote the critical policy objective of advancing medical and other scientific research, development and innovation.

Research!America hopes you will support the bipartisan H.R. 880, championed by Reps. Kevin Brady (R-TX-08) and John Larson (D-CT-01), which makes the R&D tax credit permanent in order to amplify its positive impact on the pace of innovation and economic growth. The impermanence of the current tax credit hinders its full economic effects. Given the scope and scale of typical research projects across multiple years, the uncertainty

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of the provision expiring has been shown to dissuade businesses from making desperately needed investments in research. A permanent and strong R&D tax credit would increase the economy through long-term capital investments, stable high-wage jobs, and new innovations.

The R&D tax credit was first enacted over 30 years ago and has remained a proven incentive for spurring private sector investment in R&D by companies of all sizes. This credit has also proven its capacity to create high-wage domestic jobs, as approximately 70 percent of credit dollars are used to pay salaries of R&D workers.

Research!America appreciates the Committee's demonstrated commitment to advancing smart and strategic reforms to our current tax policy. We ask that the Committee strongly support the American Research and Competitiveness Act of 2015. Our nation's future health depends on it.

Sincerely,

A handwritten signature in cursive script that reads "Mary Woolley".

Mary Woolley
President and CEO