

15 June 2011

The Honorable John Boehner
Speaker of the House of Representatives
H-232 Capitol Building
Washington, DC 20515

Dear Mr. Speaker:

I am writing on behalf of the Institute of Electrical and Electronics Engineers-United States of America (IEEE-USA) to urge you to permanently extend the Research and Development (R&D) tax credit.

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.

The increasingly competitive nature of the emerging global economy mandates that the United States take proactive measures, such as a permanent R&D tax credit, to ensure a strong domestic science and technology research and development base. In that competitive global environment, other nations utilize tax incentives to encourage business R&D spending.

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. This credit returns two dollars to the economy for every dollar of the credit.

We urge Congress to act now on this important issue. Thank you for your attention.

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<http://www.ieeeusa.org>. If we can be of further assistance, please contact Bill Williams in our Washington office at (202) 530-8331 or email at bill.williams@ieee.org.

Sincerely,



Ronald G. Jensen
IEEE-USA President