

February 25, 2010

The Honorable Nancy Pelosi (D-CA)  
Speaker of the House  
Washington, DC 20515

The Honorable Harry Reid (D-NV)  
Senate Majority Leader  
Washington, DC 20510

The Honorable John Boehner (R-OH)  
House Republican Leader  
Washington, DC 20515

The Honorable Mitch McConnell (R-KY)  
Senate Minority Leader  
Washington, DC 20510

The Honorable Steny Hoyer (D-MD)  
House Majority Leader  
Washington, DC 20515

The Honorable Richard Durbin (D-IL)  
Senate Assistant Majority Leader  
Washington, DC 20510

The Honorable Eric Cantor (R-VA)  
House Republican Whip  
Washington, DC 20515

The Honorable Jon Kyl (R-AZ)  
Senate Assistant Minority Leader  
Washington, DC 20510

Dear House and Senate Majority and Minority Leaders:

As Members of the Congressional High Tech Caucus and other members interested in policy affecting the technology industry, we are very concerned that many important tax incentives to spur innovation and create jobs expired in December. Many of our nation's leading businesses rely on these incentives to create some of the most innovative products in the world, create jobs, and drive long term economic growth.

Specifically, the Research and Development (R&D) tax credit has proven to be one of the best methods to encourage investment and employment in the United States, especially in the area of high-technology. Continued research and development is a vital element of America's innovation economy and international competitiveness. Furthermore, many other nations already offer generous research tax incentives and the U.S. must not fall behind in research intensive fields. We must do what we can to keep our high-technology, cutting edge businesses competitive and headquartered in the United States.

We urge you to work together and with the White House to extend and expand these incentives swiftly, with a special focus on the R&D tax credit. While the expiration of the R&D tax credit is a very unfortunate development, it does provide Congress with an opportunity to modernize and expand it in a way that will stimulate innovation and create more jobs here in the United States. It is estimated that an expansion of the credit would lead to an additional \$90 billion in annual GDP, a significant increase in patents generated by American inventors, and generation of additional revenues for the Treasury through economic growth.

In the past two years, the Democratic and Republican leaders of the tax-writing Ways and Means Committee have authored or cosponsored efforts to expand the R&D credit. With this bipartisan support for this initiative, we believe it should be part of any future efforts considered by Congress this year to spur economic growth, and we urge you to work with the Administration to renew this important job creating incentive as soon as possible.

We look forward to working with you and the Administration to both extend and expand these important tax incentives.

Sincerely,

Representative Anna Eshoo (D-CA)  
Member of Congress

Representative Michael McCaul (R-TX)  
Member of Congress