July 28, 2008

The Honorable Harry Reid   The Honorable Max Baucus
Majority Leader   Chair, Senate Finance Committee
United States Senate   United States Senate
Washington, DC 20510   Washington, DC 20510

Dear Majority Leader Reid and Chairman Baucus:

On behalf of ITI, a trade association representing America's leading High-Tech companies, I am writing to urge swift consideration of legislation to seamlessly renew and expand the Research and Development Tax Credit, a top priority for our member companies. We are pleased that S. 3335, the "Jobs, Energy, Families and Disaster Relief Act of 2008" – legislation that you have indicated will be considered in the next few days – accomplishes this goal.

As you know, the credit expired on December 31, 2007 -- the 13th time the credit has expired since it was enacted in 1981. Further, July 1st marked the second full quarter with no R&D credit on the books, a delay that has adversely affected corporate investment decisions and will no doubt serve as a disincentive to U.S. investment. During this time of economic uncertainty, and while many are talking of the need for a second stimulus package, it's important to remember that the R&D Credit serves as a powerful tool to preserve and generate jobs here in the U.S. and assist companies as they face global challenges.

Our nation confronts many pressing challenges, but passing a seamless extension and expansion of the Research and Development Tax Credit should not be one. Given the bipartisan support for an expanded and renewed credit, and given that it is a top priority for ITI and our industry, we intend to include final passage of legislation that seamlessly renews and expands the R&D Credit as a key vote in the ITI High Tech Voting Guide. ITI's High Tech Voting Guide is one of only two business group ratings to be published in the Almanac of American Politics.

Thank you for your time and let us know if we can be of any assistance in working to advance this crucial legislation.

Sincerely,

Rhett Dawson
President and CEO