

April 8, 2014

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Re: Preserving Incentives for Research and Development in the United States

Dear Chairman Camp and Ranking Member Levin:

The undersigned organizations write in support of preserving a strong, permanent, and inclusive research and development (R&D) tax credit that incentivizes and rewards all forms of domestic innovation, including software.

The widespread societal and economic benefits of the R&D credit are well documented. In 2011 alone, businesses invested \$267.3 billion in R&D in the United States. Thus, the efforts of the Ways and Means Committee to make this tax credit permanent are consistent with sound tax and economic policy and they are much appreciated.

Previously thought to exist solely within the province of the tech sector, software is everywhere today. Software innovations make our cars smarter, improve the way we bank, make manufacturing more efficient, and reduce lag times for transactions in financial markets. Software enables technologies within and across sectors that increase productivity. Further, the increases in efficiency that result from these products improve businesses' bottom lines and save time and money for American families.

Stimulating innovation in products that are developed domestically and exported globally, R&D incentives for software generate growth in one of the most dynamic and rapidly growing areas of the American economy. They encourage companies both foreign and domestic to invest in facilities and employees here in the United States, creating not just jobs, but careers. The software industry alone contributes more than \$170 billion annually to US GDP and supports 3.4 million high-paying American jobs.

For these reasons, as the Committee works to enact a permanent R&D tax credit, we urge you to ensure that it remains a robust incentive, inclusive of all technologies, that reaffirms and strengthens the United States as the global leader in innovation.

Sincerely,

ACT | The App Association
Application Developers Alliance
Arizona Technology Council

BSA | The Software Alliance
CompTIA
The Computing Research Association (CRA)
CTIA – The Wireless Association
The Entertainment Software Association (ESA)
Information Technology Industry Council (ITI)
National Foreign Trade Council (NFTC)
New Jersey Technology Council
North Carolina Technology Association
Semiconductors Industry Association (SIA)
Silicon Valley Leadership Group
Software Finance and Tax Executives Council (SoFTEC)
Software & Information Industry Association (SIIA)
TechNet
The Technology CEO Council
Technology Councils of North America (TECNA)
U.S. Chamber of Commerce
Washington Technology Industry Association

cc: Members of the Committee on Ways and Means