

October 11, 2022

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi and Minority Leader McCarthy,

We, the undersigned businesses and trade associations collectively employing millions of Americans, write to urge Congress to take immediate action to reverse a harmful tax change that threatens jobs and innovation in America.

Innovation is one of America's greatest strengths and a significant contributor to job and economic growth, competitiveness and national security. It is for these reasons that for nearly 70 years the tax code has recognized the importance of research and development by allowing businesses to fully deduct their R&D expenses in the same year. However, beginning this year, businesses must amortize or deduct these expenses over a period of years, making R&D more costly to conduct in the U.S.

Failing to reverse this change will cost well-paying jobs and reduce future innovation-directed R&D. Requiring the amortization of research expenses will reduce R&D spending and lead to a loss of more than 20,000 R&D jobs in the first five years with the number of lost jobs rising to nearly 60,000 over the following five years. Moreover, when accounting for the spillover effect from R&D spending, nearly three times as many jobs will be affected.¹ This same study also found that for every \$1 billion in R&D spending, 17,000 jobs are supported in the U.S.

As a result of this change, the U.S. is now one of two developed countries requiring the amortization of R&D expenses. Meanwhile, China currently provides a super deduction for R&D expenses up to an extra 100% of eligible R&D expenses in addition to actual R&D expenses. At a time of increasingly fierce global competition for research dollars, this change will make it harder for the next R&D dollar to be spent in the U.S. which will ultimately hurt future U.S. competitiveness.

The amortization requirement also poses a serious threat to our national security if not reversed. As the National Science and Technology Council has noted, R&D investments "are essential to

¹ See EY, Impact of the Amortization of Certain R&D Expenditures on R&D Spending in the U.S. at i (2019), <https://investinamericasfuture.org/ey-impact-of-the-amortization-of-certain-rd-expenditures-on-rd-spending-in-the-united-states/>.

ensure that the United States remains able to secure and protect the American people in the face” of other countries increasing support for R&D.²

For these reasons, we respectfully urge Congress to act without delay to ensure that the tax code continues to support innovation as doing so will help secure America’s global leadership in innovation and its economic and national security future.

Signed,

3M
A Raymond Corporate North America Inc
Raymond Corporate NA
AbbVie
Abicor Binzel USA, INC.
Absolute Technologies
Accu-Mold, LLC
AdvaMed
Advance Engineering Company
AECOM
Aerospace Industries Association
Agiros Pharmaceuticals
AICC, The Independent Packaging Association
Air-Conditioning, Heating & Refrigeration Institute
Alaska Chamber
Albert Basse Associates, Inc.
Alliance for Automotive Innovation
Alliance for Competitive Taxation
Allied Systems Company
AMD, Inc.
American Automotive Policy Council (AAPC)
American Bakers Association
American Chemistry Council
American Cleaning Institute
American Colors, Inc.
American Composites Manufacturers Association
American Council of Engineering Companies
American Forest & Paper Association
American Foundry Society
American Frozen Food Institute
American Mold Builders Association
American Welding Society
American Woodmark Corporation
Ames Chamber of Commerce
Amkor Technology
Amkor Technology, Inc
Ampere Computing
AMT- The Association For Manufacturing Technology
Analog Devices, Inc.

² Subcommittee on Research and Development Infrastructure, Committee on Science and Technology Enterprise of the National Science and Technology Council, National Strategic Overview for Research and Development Infrastructure at 23 (October 2021).

AnyLogic North America, LLC
Applied Materials, Inc.
Aptiv
AR State Chamber/AIA
ARC-Tronics Inc.
Arizona Builders Alliance
Arizona Chamber of Commerce & Industry
Arizona Manufacturers Council
Asheville Area Chamber of Commerce (NC)
ASML
Associated Industries of Florida
Associated Industries of Missouri
Associated Industries of Vermont
Association for Uncrewed Vehicle Systems International
Association of Washington Business
Aster Labs, Inc.
AT&T
Automated Pet Care Products, LLC (dba Whisker)
Autos Drive America
Avencell Therapeutics
AVL North America
Baker Hughes
Ball Corporation
BC Partners, LLC
Beeline.com
Bell's Brewery
Biotechnology Innovation Organization
B-K Tool & Design, Inc.
Black Buffalo, Inc.
Bluewater Technologies Group, Inc.
BorgWarner Inc.
Boulder Scientific Company, LLC
Brewer Science
Brick Industry Association
Bristol TN/VA Chamber of Commerce
Brunswick Corporation
B-Unlimited, Inc
Business & Industry Association of New Hampshire
Business Council of Alabama
The Business Council of New York State, Inc.
Business Roundtable
Cadillac Casting, Inc.
California Manufacturers & Technology Association
Cambria Regional Chamber (PA)
Can Manufacturers Institute
Capital Area Manufacturing Council (MI)
Cardinal FG
Cardinal Glass Industries
The Carpet and Rug Institute
Carrier
Cascade Die Casting Group, Inc.

Cashco, Inc.
Cast Aluminum Solutions
Cedar Rapids Metro Economic Alliance (IA)
Cellulose Insulation Manufacturers Association
Certis Oncology Solutions, Inc
Chamber of Commerce Hawaii
ChargePoint, Inc.
Charles River Laboratories International, Inc.
CHROMiX, Inc.
Cirrus Aircraft
Coastal Automotive (MI)
Cognizant Technology Solutions
Colorado Advanced Manufacturing Association
Colorado Chamber of Commerce
Compass Mortgage, Inc.
Composite Panel Association
Composites International, Inc.
Computing Technology Industry Association
Connecticut Business & Industry Association
Contemporary Control Systems, Inc.
Continental
Core Health & Fitness, LLC
Corning Incorporated
Council Bluffs Area Chamber of Commerce (IA)
Council of Industry of Southeastern New York (NY)
Cybernet Systems Corporation
Dearborn Holding Company, LLC
Delaware Manufacturing Association
DENSO International America, Inc.
Detroit Manufacturing Systems
Dunn-Edwards Corporation
Eastman
Eaton
ECIA - Electronic Components Industry Association
Edgewater Automation, LLC
Edward Segal Inc.
EFK Moen, LLC
Energy Workforce & Technology Council (TX)
ENGLAND, THIMS & MILLER, INC.
EOTECH
F&S Tool, Inc.
Falcon Plastics Inc.
Faurecia
Federal Equipment Company
Feyen-Zylstra, LLC
The Fynder Group, Inc.
Financial Executives International (FEI)
First Line Technology, LLC
Ford
Forging Industry Association
Fragrance Creators Association

Garden State Precast, Inc
GE Appliances, a Haier company
GE HealthCare
GECOM Corp
Genentech, A Member of the Roche Group
General Aviation Manufacturers Association (GAMA)
General Dynamics
General Plastics & Composites, LP
Giffin, Inc.
Glier's Meats, Inc.
Global Business Alliance
Global Imaging
Gowan Milling Company LLC
Grand Rapids Foam Technologies
Greater Durham Chamber of Commerce (NC)
Greater North Dakota Chamber
Greater Omaha Chamber (NE)
Greater Pittsburgh Chamber of Commerce (PA)
Greater Yakima Chamber of Commerce (WA)
Gresham Smith
Griffin Tool, Inc.
H3 Manufacturing
Halff Associates, Inc.
Haltec Corporation
Helicopter Association International (HAI)
Helms Performance Group
Hendrickson USA LLC
Honeywell
Hornady Mfg. Co.
Howe Corporation
HP Inc.
Hunter Industries
Huntington Ingalls Industries
Idaho Association of Commerce and Industry
Illinois Manufacturers' Association
Image Options
ImageMark Business Services, Inc.
IMS Companies, LLC
INDA - Association for the Nonwoven Fabrics Industry
Independent Can Company
Indiana Manufacturers Association
Induron Coatings, LLC
Industrial Control Repair Inc.
Information Technology Industry Council
Intel Corporation
International Mold Corporation
International Paper
International Sleep Products Assn
Ionis Pharmaceuticals, Inc.
Iowa Association of Business and Industry
Jamison Door Company

Jessup Manufacturing
JOST International Corporation
Kansas Chamber and the Kansas Manufacturing Council
Keats Manufacturing Co.
Kennametal Inc.
Kentucky Association of Manufacturers
Kimberly-Clark
Koppers Inc.
The Kraft Heinz Company
Kreative Technologies, LLC
Kyocera AVX Components Corporation
LABI
Lacks Enterprises, Inc
LaFrance Corp
LAL Acquisition, Inc.
LDJ Manufacturing
Lear Corporation
Lechler, Inc.
Leggett & Platt, Inc.
Lockheed Martin Corporation
Louisiana Pacific Building Solutions
LSV Asset Management
Lucerne International Inc,
M4 Factory, Inc,
MAC VALVES, INC.
Magna
MAHLE Industries, Incorporated
Maine State Chamber of Commerce
Manufacturing Alliance of Philadelphia (PA)
Marshall Area Chamber of Commerce (MN)
Marlin Steel Wire Products LLC
Martin Yale Industries, LLC
Maryland Chamber of Commerce
Mason West
MBO America
Mercury Systems
Merritt Aluminum Products Company
Merritt Trailers Inc.
Metal Powder Industries Federation
Metals Service Center Institute
Metalsa Structural Products, Inc.
Metro Atlanta Chamber (GA)
Michelin North America, Inc.
Michigan Manufacturers Association
Michigan Polymer Reclaim, Inc.
Microchip Technology Incorporated
Micron Technology, Inc.
MIFAB, Inc.
Miles Fiberglass & Composites Inc
Miniature Custom Mfg., LLC
Minnesota Chamber of Commerce

Mississippi Manufacturers Association
Modernistic Inc
Montana Chamber of Commerce
Morrell Group
Morrison Products, Inc.
Motor & Equipment Manufacturers Association (MEMA)
National Association of Chemical Distributors (NACD)
National Bulk Equipment, Inc.
National Business Aviation Association
National Defense Industrial Association (NDIA)
National Electrical Manufacturers Association
National Marine Manufacturers Association
National Tooling and Machining Association
National Wooden Pallet & Container Association
Natural Alternatives International, Inc.
North Carolina Chamber
NCTA - The Internet & Television Association
Nebraska Chamber of Commerce & Industry
Nelson Irrigation Corporation
Nevada Manufacturers Association
New Balance Athletics
New Holland Brewing Company LLC
New Jersey Business & Industry Association
New Mexico Business Coalition
NewHold Enterprises LLC
NextPhase Medical Devices LLC
Nielsen-Kellerman Co.
Niowave, Inc.
Non-Ferrous Founders' Society
North American Association of Food Equipment Manufacturers (NAFEM)
North American Die Casting Association
North Carolina Manufacturers Alliance (NCMA)
Northeast Pennsylvania Manufacturers & Employers Association
Northrop Grumman Corporation
Novartis
NSSF
Oakwood Metal Fabricating Co
The Oakwood Group
The Ohio Manufacturers' Association
O-I
Omnicell, Inc.
O'Neal Industries, Inc.
Onsemi
Oregon Business & Industry
Outform
Owens Corning
Panasonic Corporation of North America
Parsons Corporation
PBS Engineering and Environmental Inc.
PEI
Pennsylvania Chamber of Business & Industry

Pennsylvania Manufacturers' Association
PFI Holdco LLC
Pioneer Service Inc
Piston Group LLC
Plante & Moran, PLLC
Plastic Plate, LLC
Plastics Industry Association
Plumbing Manufacturers International
PMA Technologies LLC
PMMI The Association for Packaging and Processing Technologies
Polymeric US
Precast/Prestressed Concrete Institute
Precision Machined Products Association
Precision Metalforming Association
Prestige Printing
Pridgeon & Clay, Inc.
Printing United Alliance
Professional Services Council (PSC)
Qualcomm Incorporated
Quanergy Systems, Inc.
Quasonix, Inc.
R L Industries Inc.
Rare Disease Company Coalition
Raytheon Technologies
Regal Rexnord Corporation
Rennco Automation
Request Foods Inc
Rhode Island Manufacturers Association
RL Industries, Inc.
Roanoke Regional Chamber of Commerce (VA)
Robert Bosch LLC
Rockwell Automation Inc.
Rolls-Royce North America
Rosti North America (FKA: Plastic Components, Inc.)
RP Abrasives
RTM ENGINEERING CONSULTANTS
Rubadue Wire Co., Inc.
SABIC
Sarepta Therapeutics
Schaeffler Group USA
Schuylkill Chamber of Commerce
Scot Forge
Semiconductor Industry Association
Sequoia Automatic, Inc.
Shape Corp.
Silicon Valley Tax Directors Group
Simmons Knife & Saw
Skilled Manufacturing, Inc
Skyworks Solutions
Society of Chemical Manufacturers & Affiliates
Somerset County Chamber of Commerce (PA)

Source Elements
Source3Media
South Carolina Chamber of Commerce
SouthernCarlson, Inc.
Span Tech LLC
Specialty Tooling Systems
Star Iron Works, Inc.
Star Plastics, LLC
The State Chamber of Oklahoma
Stealth BioTherapeutics
Steel Manufacturers Association
Sturdy Corporation
T. Baker Smith, LLC
TACO INC
Tata Technologies Inc.
TechNet
Technoform Glass Insulation NA Inc
Tenable
Tennessee Chamber and Manufacturers Association
Texas Association of Business
Texas Association of Manufacturers
Texas Instruments Incorporated
Textile Care Allied Trades Association
Therma-Tron-X, Inc
Thomas & Hutton Engineering Co.
The Timken Company
Tooling Systems Group, Inc.
Trabon Printing Company, Inc.
Trademark Die & Engineering Inc.
Treated Wood Council
Triangle Package Machinery Company
Tri-Merit, LLC
Truck Trailer Manufacturers Association, Inc.
U.S. Chamber of Commerce
Umicore USA Inc
United Therapeutics Corp.
Utah Manufacturers Association
V3 Companies, Ltd.
Valley Industrial Association
Verizon
Vermeer Corporation
Versa-Tags, Inc.
Vinyl Institute
Walker Tool & Die, Inc.
Water and Wastewater Equipment Manufacturers Association
Wells Printing Co., Inc
West Virginia Manufacturers Association
Westmoreland County Chamber of Commerce (PA)
WestRock
WGI
The Willamette Valley Company LLC

Whisman Giordano & Associates, LLC
WhistlePig, LLC
WilliamsRDM, Inc.
Window & Door Manufacturers Association
Wisconsin Manufacturers & Commerce
ZF North America, Inc.

cc: The Honorable Ron Wyden
The Honorable Mike Crapo
The Honorable Richard Neal
The Honorable Kevin Brady