

For Immediate Release:

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Nearly 70% of Americans in Favor of Extending or Expanding the Research & Experimentation (R&D) Tax Credits

Zogby International Poll Finds Significant Support for Incentive that Funds Domestic Jobs

WASHINGTON, DC – June 17, 2008 – Americans overwhelmingly support the renewal of the Research & Experimentation (R&D) Credit that was allowed to expire by the U.S. Congress on Dec. 31, 2007, according to a recent Zogby survey conducted on behalf of the R&D Credit Coalition.

Specifically, the survey found that 67.7% of the American public want the R&D Credit revived and nearly 50% want to see the credit expanded from its previous levels.

The R&D Credit was created by Congress in 1981 to spur the creation of U.S. based innovation, economic activity and job creation. At a particularly volatile time for U.S. workers, more than 75% of R&D Credit dollars go to wages for high-skilled, high-paying jobs in the United States. In some industries, more than 90% of credit goes directly to employee wages. In its 26 year history, the Credit has fostered commercial R&D investment by American businesses of all sizes and helped to bring new, improved products and services to market, including energy-efficient appliances, new vaccines, faster Internet and communications capabilities, safer transportation, improved national security and others.

“The American public keenly understands the economic and job creation value of the R&D Credit and agree that this important incentive must be extended and strengthened by Congress,” said Monica McGuire, executive secretary of the R&D Credit Coalition. “The fact is that roughly three-quarters of this Credit is used directly for domestic high-skilled job creation used to create cutting-edge products and innovation. We believe these jobs and this important research are the lifeblood of our economy in an increasing competitive global marketplace.”

A report released earlier this month by Ernst & Young found that, just since 2005, the Credit spurred more than \$6 billion in innovation-producing investments at more than 17,000 companies across all 50 states.

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According to an estimate this week by the Information Technology Association of America, the lapse of the R&D Credit may have already cost the American economy more than \$8.3 billion since Congress allowed it to expire 164 days ago. ITAA also estimates that the R&D credit would have spurred more than \$18.6 billion in new economic activity in 2008, or an average of nearly \$51 million per day.

More findings from the Zogby poll:

- Ideology: 71.2% of Democrats, 66.5% of Republicans, and nearly 66% of Independents want Congress to act on renewing the R&D Credit.
- Geographic: Americans are unified on this R&D topic geographically with more than 66% approving of the R&D credit in every region.
- Gender: 72% of men and 63.2% of women want Congress to act.
- Race: 67.2% of whites, 72% of Hispanics, 69.8% of African Americans and 66.4% of Asian Americans support Congress extending or expanding the Credit.
- Age: 68% of Americans age 18-29 support extension or expansion; 65.5% of those age 30-49; 68.8% of those age 50-64; and 70.8% of those over age 65.

The Zogby Interactive Survey included 2,911 Americans and was conducted from May 20-22, 2008 with a margin of error of 1.8%.

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