

Last Friday, I, along with Congressman Xavier Becerra, led a bipartisan group of more than 40 California Representatives in sending a letter to House leadership, expressing the importance of extending the federal income tax credit for research and development (“R&D tax credit”). The R&D tax credit allows businesses to reduce their tax liability based on the amount of money they spend on research activities here in the United States. This incentive is particularly important to California, which leads the nation in R&D activity. In order to emerge from the current economic recession, it is essential that we establish a strong foundation for future growth and prosperity. I firmly believe that preserving America’s leadership in scientific and technological innovation is vital to achieving this goal.

Many members of Congress mistakenly view tax relief measures, such as the R&D tax credit, primarily as a cost to the federal government rather than as a catalyst for economic growth. When they are set to expire, Congress often extends them for only a year or two at a time. I believe it would be a terrible mistake to allow taxes to increase in the middle of a recession. Now is the time to make the R&D tax credit, along with other expiring tax cuts, permanent. This will give America’s entrepreneurs and innovators the certainty to know that when their discoveries pay off, they will be able to keep their money and reinvest it into the next generation of technological advancements.