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SIA Supports New Democrat Coalition's Call For Caution In Changes To International Tax Rules

--Chip industry concerned about global competitiveness--

SAN JOSE, CA – June 26, 2009 – The Semiconductor Industry Association (SIA) today gave strong support to the New Democrat Coalition's call to avoid tax changes that could damage the global competitiveness of U.S. companies during a severe economic downturn. The 38-member New Democrat Coalition led by Congresswoman Ellen Tauscher (D., CA) in a letter to Speaker Pelosi urged a careful review of changes affecting the deferral of taxes on earnings of foreign operations of U.S. companies. "SIA strongly concurs with today's statement by the New Democrat Coalition urging a comprehensive look at the tax code before adopting proposed changes," said SIA President George Scalise.

"The Coalition has wisely noted that proposed changes to the treatment of foreign earnings of subsidiaries of U.S. companies could have unintended consequences," Scalise continued. "With the global economy still in recession, any changes in the tax code should be examined very carefully to ensure that they will enhance rather than damage the global competitiveness of U.S. companies. As America's second-largest exporting industry, U.S. chipmakers are very concerned that proposed changes in the rules on taxation of foreign earnings could seriously erode their ability to compete in international markets."

Scalise pointed out that approximately 80 percent of all semiconductor sales are outside the U.S. "Any changes in the tax code that weaken the competitive position of U.S. companies in global markets would have adverse consequences for jobs and investment in America," Scalise concluded.

About the SIA

The SIA is the leading voice for the semiconductor industry and has represented U.S. semiconductor companies since 1977. Collectively, the chip industry employs a domestic workforce of approximately 200,000 people. The semiconductor industry is America's second-largest exporting industry. More information about the SIA can be found at www.sia-online.org.