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SIA Praises Passage of R&D Tax Credit Extension

-Urges continued bipartisan cooperation in 2007-

San Jose, CA – December 9, 2006 – The Semiconductor Industry Association (SIA) today praised members of the House and Senate for passing legislation to extend the research and development tax credit. The R&D tax credit, a key element of the high-tech industry's competitiveness agenda, expired at the end of 2005.

"It's been a long and arduous political process, but we're pleased that lawmakers were able to put aside partisanship and deliver this important element of the competitiveness agenda," said SIA President George Scalise. "Throughout the process, extension of the R&D tax credit had strong support among Republicans and Democrats, including President Bush and Leader Pelosi. We hope this spirit of bipartisan cooperation carries over into 2007, when the 110th Congress takes up other legislation to enhance the competitiveness and innovation capabilities of U.S. high-tech companies." Scalise cited three issues considered of vital importance to the technology sector: increasing funding for basic research, enacting visa reforms that help retain foreign talent educated at U.S. universities, and improving math and science education in grades K-12.

Scalise also urged Congress to make the R&D tax credit permanent and to enact a number of enhancements that will bring it more into line with incentives offered by countries that compete with the U.S. to attract investment in R&D facilities. "Passage of this legislation has been a critically important objective and is part of our industry's agenda to promote innovation and enhance U.S. competitiveness in the global economy," Scalise concluded.

The SIA praised Senators Bill Frist (R, TN), Charles Grassley (R, IA), Max Baucus (D, MT), and Representatives Bill Thomas (R, CA), Charles Rangel (D, NY) and John Boehner (R, OH) for their effective work in negotiating an agreement to pass legislation extending and enhancing the R&D tax credit.

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 255,000 people. More information about the SIA can be found at www.sia-online.org.