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**SIA Praises Senate Approval of R&D Tax Credit Extension,  
Urges Immediate House Action**

***Industry Calls Permanent Extension of Strengthened Credit Essential  
to U.S. Innovation Leadership***

**San Jose, CA – September 24, 2008** – The Semiconductor Industry Association (SIA) today applauded the U.S. Senate for approving a two-year extension of the research and development (R&D) tax credit, effective January 1, 2008, through December 31, 2009. The extension was passed as an amendment to the earlier House-approved bill, H.R. 6049, which included a one-year extension of the credit. H.R. 6049 as amended and passed by the Senate will now return to the House for consideration. President Bush has indicated he will sign the bill.

“Passing the R&D tax credit will bring both immediate and long-term economic benefits to the United States by encouraging companies to invest more in R&D,” said SIA President George Scalise. “Investments in R&D mean job creation, capital expenditures and technological innovation that will help stimulate the economy now and pay handsome dividends in our future. We applaud the Senate for passing this critical extension and urge the House to do the same.”

R&D stimulated by the tax credit is a particularly important anchor for high-wage jobs, as high-tech manufacturing is often located near R&D facilities to speed innovation. The semiconductor industry employs 216,000 people in the United States, including over 50,000 involved in R&D. An enhanced R&D tax credit would secure and expand those jobs.

While SIA welcomed passage of the two-year extension, it continued to press for permanent extension of a strengthened R&D tax credit to help ensure that America’s preeminence and leadership in technological innovation is sustained. Uncertainties about the availability of the R&D tax credit create numerous problems for the semiconductor industry – the second-leading exporter in the United States and a key driver of American innovation. Decisions about long-term investments, such as R&D facilities, require stability in tax policies. Earnings reports are also impacted because companies cannot account for an expired credit in their quarterly statements, thus blurring the comparability of their quarterly financial reports.

SIA has been at the forefront of efforts to make American innovation a national public policy priority, through its advocacy of the “three pillars” of innovation, which include the permanent extension of a strengthened R&D tax credit, a reformed immigration system for highly educated workers and increased funding for basic research.

“The R&D tax credit is one of the most important components of the U.S. innovation agenda, and we now urge the House to pass this critical legislation immediately so that the United States can compete on a level playing field as it pursues the innovations of the future,” concluded Scalise.

### ***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 216,000 people. More information about the SIA can be found at [www.sia-online.org](http://www.sia-online.org).