



March 17, 2021

The Honorable Maggie Hassan
324 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Rob Portman
448 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Todd Young
185 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ben Sasse
107 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Catherine Cortez Masto
313 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Hassan, Young, Cortez Masto, Portman, and Sasse:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to thank you for introducing the American Innovation and Jobs Act (S. 749).¹ This critical legislation will help ensure American businesses can confidently invest in the research and development (R&D) initiatives that will power economic growth, job creation, and wage growth in the U.S. for years to come.

The American Innovation and Jobs Act could not come at a better time. With COVID-19 vaccine distribution ramping up, both entrepreneurs and workers are hoping for a robust economic recovery from this devastating period. Your legislation will ensure that a key reward for R&D investments in the tax code remains in place. As companies large *and* small stare down the expiration of full and immediate expensing for R&D expenditures on January 1, 2022, your legislation will stop this step backwards for the tax code.

A recent report from the nonpartisan Joint Committee on Taxation notes that "research tax incentives substantially boost R&D spending," and that government interventions in such research "may improve overall economic efficiency."² To the extent that full and immediate expensing for R&D costs can boost R&D spending in the U.S., the American Innovation and Jobs Act will certainly aid in our nation's recovery from the COVID recession. We also appreciate your attention to the R&D efforts of small and start-up businesses, and look forward to engaging with you further on how to best support these companies as they invest in America during the COVID-19 economic recovery.

¹ United States Senator for New Hampshire Maggie Hassan. (March 16, 2021). "Senators Hassan, Young, Cortez Masto, Portman, and Sasse Introduce Bipartisan Bill to Support Innovative Businesses and Startups' Research and Development." Retrieved from: <https://www.hassan.senate.gov/news/press-releases/senators-hassan-young-cortez-masto-portman-and-sasse-introduce-bipartisan-bill-to-support-innovative-businesses-and-startups-research-and-development> (Accessed March 16, 2021.)

² Joint Committee on Taxation. (March 15, 2021). "Tax Incentives for Domestic Manufacturing." Retrieved from: <https://www.jct.gov/publications/2021/jcx-15-21/> (Accessed March 16, 2021.)

We appreciate your bipartisan interest in and attention to the expiration of full and immediate R&D expensing, and we hope to work with you further to ensure your legislation becomes law before 2022. Should you have any questions, I am at your disposal.

Sincerely,

Andrew Lautz
Director of Federal Policy