

June 28, 2021

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NTU urges all Representatives to vote "NO" on H.R. 2225, the National Science Foundation for the Future Act, and H.R. 3593, the Department of Energy Science for the Future Act. These bills would authorize funding for the National Science Foundation (NSF) and Department of Energy (DOE) Office of Science at much higher levels than under current law without corresponding offsets. Lawmakers should instead work on ways to incentivize private sector-driven research and development (R&D) such as ensuring businesses can fully expense R&D in 2022 and beyond.

When the Senate Committee on Commerce, Science, and Transportation considered the Endless Frontier Act, which later passed the Senate as the United States Innovation and Competition Act (S. 1260), NTU <u>wrote</u> to the Committee asking Senators to reject the bill. We noted that "the U.S. can and should do more to 'win' the future in terms of technological innovation, but saddling taxpayers with even more debt in the years to come would harm future generations more than it would help them."

H.R. 2225, the NSF for the Future Act, and H.R. 3593, the DOE Science for the Future Act, mirror S. 1260 and could pave the way for both chambers of Congress to pass conference legislation that significantly increases debt and deficits without corresponding spending offsets. For that reason alone, lawmakers should reject these bills and go back to the drawing board, focusing instead on pro-growth changes to the tax code that could incentivize private-sector R&D investment for years to come. One such bill is the American Innovation and R&D Competitiveness Act from Reps. John Larson (D-CT), Jodey Arrington (R-TX), Suzan Delbene (D-WA), Ron Estes (R-KS), Darin LaHood (R-IL), and Jimmy Panetta (D-CA). This legislation would allow businesses to continue fully expensing R&D costs, a provision of tax law currently scheduled to expire at the end of 2021.

H.R. 2225, the NSF for the Future Act, would <u>increase</u> NSF funding by 31 percent in this fiscal year alone, from \$8.49 billion to \$11.1 billion. By fiscal year (FY) 2026, NSF funding would be 71 percent higher than it is today. There are no apparent spending offsets in this legislation, which increases the NSF budget well beyond expected inflation. H.R. 3593, the DOE Science for the Future Act, would increase DOE Office of Science funding by 24 percent in this fiscal year alone, from \$7.026 billion to \$8.7 billion. By FY 2026, DOE Office of Science funding would be 57 percent higher than it is today. Again, there are no spending offsets in this legislation, and the bill increases Office of Science funding well beyond expected inflation.

Roll call votes on H.R. 2225 and H.R. 3593 will be included in NTU's annual Rating of Congress and a "NO" vote will be considered the pro-taxpayer position.