

May 6, 2014

Dear Members of the U.S. House of Representatives:

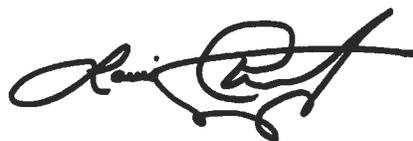
Business Roundtable appreciates the leadership that Members of Congress have shown toward achieving comprehensive, pro-growth tax reform. Recognizing that this work is ongoing, but that taxpayers need certainty until that ultimate goal can be achieved, Business Roundtable urges bipartisan support for H.R. 4438, the Brady-Larson bill to make permanent and strengthen the R&D tax credit.

Proposals to expand the R&D credit and make it permanent have a long history of bipartisan support in Congress. The research credit, enacted in 1981, has proven a long-standing mechanism for encouraging R&D and promoting jobs and manufacturing in the United States. Making it permanent will maximize its long-term effectiveness, encourage investment decisions, and formally adopt a policy that in reality is already part of established tax law.

Moreover, passage of the Brady-Larson bill will help facilitate bicameral discussions on legislation to extend numerous tax provisions that expired on December 31, 2013. The R&D credit is just one of several tax provisions whose expiration is already complicating business decisions and creating uncertainty. Business Roundtable urges Congress particularly to extend the active financing rule, CFC look through rule, and 50-percent bonus depreciation, all of which promote investment and increase private sector employment. These extensions should be made retroactive to the beginning of this year.

Business Roundtable is steadfast in our determination to increase the competitiveness of the United States through the creation of a permanent, modernized, and simplified tax code. In the near term, however, the Congress must address already-expired tax provisions with the urgency that is required and maintain consistent, predictable tax rules until comprehensive tax reform is completed. Unnecessary delay would represent a further missed opportunity to promote investment, increase employment and encourage more robust economic growth.

Sincerely,



Louis R. Chênevert
Chairman & Chief Executive Officer
United Technologies Corporation
Chair, Tax and Fiscal Policy Committee
Business Roundtable
LC/mm

Randall Stephenson
AT&T Inc.
Chairman

Ursula M. Burns
Xerox Corporation
Vice Chair

David M. Cote
Honeywell
Vice Chair

Andrew N. Liveris
The Dow Chemical Company
Vice Chair

John Engler
President

Tita Freeman
Senior Vice President

Marian Hopkins
Senior Vice President

William C. Miller, Jr.
Senior Vice President

LeAnne Redick Wilson
Senior Vice President