



May 16, 2023

To the Members of the United States Congress:

The U.S. Chamber of Commerce strongly supports S. 866, the “American Innovation and Jobs Act,” and H.R. 2673, the “American Innovation and R&D Competitiveness Act.” These bills would restore the ability of businesses to immediately deduct their research and development (R&D) expenses.

Immediate R&D expensing incentivizes critical investments in innovation and technological breakthroughs by providing businesses the ability to fully deduct their R&D expenditures, including wages, in the tax year that they’re incurred. But the expiration of this provision has required businesses to begin amortizing their R&D investments over a period of five to 15 years, starting with their 2022 tax returns. This change has also made the United States a global outlier at the expense of our economic competitiveness, as only two other developed countries have adopted such counterproductive policies.

Failure to act now to restore immediate R&D expensing will increase the cost of innovation in the United States and slow economic growth for businesses of all sizes. The Chamber urges you to cosponsor these important bills.

Sincerely,

Neil L. Bradley
Executive Vice President, Chief Policy Officer,
and Head of Strategic Advocacy
U.S. Chamber of Commerce