

**For Immediate Release:** *March 2, 2011*

**Washington D.C.** – U.S. Congressman Duncan Hunter joined U.S. Congressman Heath Shuler (D-NC) to introduce bipartisan legislation that creates incentives for domestic manufacturers by permanently extending the research and development (R&D) tax credit and creating a bonus tax credit for companies that manufacture a majority of their products in the United States.

“Millions of American manufacturing jobs have gone overseas in just the last decade alone,” said Congressman Hunter. “At this rate, even more businesses and jobs will continue going offshore until there is barely anything left of America’s manufacturing base. This is not only bad for job creation and economic growth, but it creates an irreparable fracture in the education of new scientists and engineers, and stifles the type of innovation that is necessary to ensure we continue leading among our global competitors. By making the R&D tax credit permanent and creating more incentives for domestic production, this bipartisan legislation will help build a solid foundation for our nation’s manufacturing base and ensure it stays on a path toward recovery.”

Manufacturers are the primary beneficiaries of the R&D tax credit, which provides companies with incentives to create jobs and invest in innovation. More than 70 percent of R&D tax credit dollars go to employee wages. The R&D credit has expired and been extended 14 times since its enactment 30 years ago.

Among the rest of the world, the U.S. maintains one of the weakest research tax credits, falling from 1st to 17th compared to developed nations in R&D competitiveness. The bonus credits created by the legislation would put American R&D tax credits on the same level as those currently offered in countries such as China and Canada.