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Innovator Alliance Applauds Reintroduction of the American Innovation and R&D Competitiveness Act

Washington, D.C. – The Innovator Alliance commends Representatives Ron Estes (R-KS) and John Larson (D-CT) for their bipartisan reintroduction of the *American Innovation and R&D Competitiveness Act*, which would permanently restore full expensing for U.S. research and development (R&D) investments, retroactive to January 1, 2020.

The ability to promptly expense research and development costs incentivizes investments that have led to scientific breakthroughs, new technologies that change how we live and interact, and the innovations that have built this nation's competitive edge. Section 174's current harmful R&D amortization provisions have devastated the innovation community. The changes to Section 174 deter investment in small businesses and increase their tax liability, forcing them to take out loans, delay hiring, and, in some cases, consider foreign acquisition offers simply to stay afloat. The *Innovation and R&D Competitiveness Act* helps reverse this treatment and bolsters small company efforts to drive economic growth and innovation.

"Every dollar that the innovation community is forced to pay in unexpected taxes due to R&D amortization is a dollar that cannot be reinvested into hiring, product development, and economic growth. We urge lawmakers to prioritize full expensing for R&D so that America's small and mid-sized companies can continue to lead in innovation rather than be crippled by outdated tax policies," stated the Innovator Alliance.

The legislation comes at a critical time, as China and Europe continue to expand R&D incentives to attract top technology companies, while American firms are being forced to cut jobs, reduce investments, and in some cases, consider offshoring to remain viable. Reinstating full expensing for R&D would ensure that the United States remains the global leader in innovation and advanced technology.

The Innovator Alliance represents technology-driven small and mid-sized businesses across the country that rely on strong, pro-growth policies to drive innovation, create jobs, and remain competitive in the global economy. The Innovator Alliance urges Congress to move swiftly to pass this bipartisan legislation and deliver the certainty and support that American businesses need to continue innovating, hiring, and driving economic growth.

For more information or to schedule an interview, please contact:

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About the Innovator Alliance

The Innovator Alliance is dedicated to empowering innovation through strategic tax reform. Our mission is to preserve and expand the innovation ecosystem while promoting the value of ownership. We believe that forward-thinking tax policy is key to driving the innovation economy forward, ensuring it remains a powerful engine for job creation, technological breakthroughs, and economic growth.

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