



March 28, 2023

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Room S-221, The Capitol  
Washington, DC 20510

The Honorable Mitch McConnell  
Republican Leader  
United States Senate  
Room S-230, The Capitol  
Washington, DC 20510

The Honorable Kevin McCarthy  
Speaker of the House  
U.S. House of Representatives  
Room H-305, The Capitol  
Washington, DC 20510

The Honorable Hakeem Jeffries  
Minority Leader  
U.S. House of Representatives  
Room S-230, The Capitol  
Washington, DC 20510

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker McCarthy, and Minority Leader Jeffries:

The Council of State Bioscience Associations (CSBA) is a coalition of independent state and territory based non-profit trade associations, each of which advocates for public policies that support responsible development and delivery of innovative life-sustaining and life-saving biotechnology solutions. We write to urge immediate legislative action to repeal harmful research and amortization provisions that went into effect in 2022, by passing the *American Innovation & Jobs Act of 2023 (S. 866)*, bipartisan legislation sponsored by Senators Maggie Hassan (D-NH) and Todd Young (R-IN).

The majority of CSBA's member companies are research-intensive small and large biotechnology companies working on cutting-edge innovations. Most of these are pre-revenue human health companies that take enormous risks to develop the next generation of biomedical breakthroughs. Their pipelines have the potential to benefit millions of patients suffering from diseases for which there are no cures or treatments.

In addition to human health focused biotech firms, our membership also includes start-up companies at the forefront of biotechnology in agriculture, food systems, energy, and biobased manufacturing. Over the past 25 years, these technologies have enabled significant improvements to agronomic practices, leading to measurable and widespread environmental and production benefits and the development of sustainable biofuels and biobased products.

The 2017 Tax Cuts and Jobs Act (TCJA) modified Section 174 of the US tax code, so starting in 2022, businesses could no longer deduct research and experimentation expenses in the same taxable year. Currently, businesses must amortize such deductions over five years for domestic expenditures or over 15 years for foreign expenditures.

This mandatory amortization diverts much-needed funds away from small R&D-intensive companies, potentially jeopardizing the development of the future treatments and negatively impacting the local economies where these companies are established.

The CSBA urges you to pass S. 866 to restore the expensing of R&D expenditures to ensure the development of future treatments and cures tomorrow.

Please contact CSBA Executive Director, Michele Oshman at [moshman@bio.org](mailto:moshman@bio.org) with any questions.

Sincerely,

Arizona BioIndustry Association, Inc.  
Biocom California  
California Life Sciences  
Colorado BioScience Association  
BioCT  
Delaware BioScience Association  
BioFlorida  
CGHI: Georgia Bio  
Idaho Technology Council  
Illinois Biotechnology Innovation Organization  
Indiana Health Industry Forum  
Iowa Biotechnology Association  
BioKansas  
Kentucky Life Sciences Council  
Louisiana BIO  
Bioscience Association of Maine  
Maryland Technology Council  
Massachusetts Biotechnology Council  
Michigan Biosciences Industry Association  
Medical Alley Association  
Mississippi Biotechnology Association  
Missouri Biotechnology Association  
Montana BioScience Alliance  
Bio Nebraska  
Nevada Biotechnology & Health Science  
BioNJ  
New Mexico Biotechnology & Biomedical Association  
NewYorkBIO  
North Carolina Biosciences Organization  
Bioscience Association of North Dakota  
Ohio Life Sciences  
Oklahoma Bioscience Association  
Oregon Bioscience Association  
Life Sciences Pennsylvania  
INDUNIV  
Rhode Island Bio  
South Carolina BIO  
South Dakota Biotech Association  
Life Science Tennessee  
Texas Healthcare and Bioscience Institute

BioUtah  
Vermont Biosciences Alliance  
Virginia Biotechnology Association  
Life Science Washington  
Bioscience Association of West Virginia  
BioForward Wisconsin