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 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