



**Dorothy Coleman**  
Vice President  
Tax and Domestic Economic Policy

November 30, 2015

The Honorable Mark J. Mazur  
Assistant Secretary for Tax Policy  
U.S. Department of the Treasury  
Washington, D.C. 20515

Dear Assistant Secretary Mazur:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector in all 50 states, urges you to work together with Congress to extend, as soon as possible, the temporary tax provisions that expired at the end of 2014.

The NAM is a strong advocate for reform of our current tax code to make it simpler, fairer and more competitive. Until policymakers can agree on a reform plan, we need to keep our current tax system in place by seamlessly reviving, extending and, where possible, making permanent, the so-called "extender" tax provisions.

Several of the expired tax provisions in particular will help domestic manufacturers innovate, invest and compete in a global marketplace and contribute to U.S. economic growth and job creation. For example, the research and development (R&D) credit—a proven innovation incentive for manufacturers of all sizes—spurs the investment in R&D that leads to new product development and increased productivity. Similarly, several other investment incentives that allow companies to immediately write-off at least 50 percent—or 100 percent for small businesses—of the cost of capital equipment, enable companies to increase their investment and spur sales of capital equipment.

With more than 95 percent of the world's consumers outside the United States, it is critically important for manufacturers in the U.S. to compete effectively in the global marketplace. Two expired provisions would improve the competitive position of U.S. companies. The "look-through" rule allows domestic manufacturers to redeploy foreign earnings from active overseas business operations without triggering immediate U.S. tax, thus removing a competitive disadvantage faced by U.S. companies in the global marketplace. Another provision, deferral for active financing income, which enables U.S. manufacturers with overseas financing arms to provide competitive financing for their products, has a direct positive impact on U.S. exports and manufacturing jobs.

The temporary nature of these on-again, off-again tax provisions injects a tremendous amount of uncertainty into business planning. When tax extenders expire, manufacturers are left

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with a choice of either sidelining the types of operations and investments that help grow their companies and create jobs, or paying higher taxes in an already uncompetitive tax environment. Making permanent the pro-growth tax provisions important to manufacturers would eliminate the cycle of uncertainty associated with temporary tax extenders, bringing confidence back into investment decisions that fuel economic growth. At a minimum, a multiyear extension of these provisions would provide a critical bridge of predictability until comprehensive tax reform is enacted.

Congress has already shown bipartisan support for providing both permanent and multiyear extensions of the expired provisions, and the NAM calls on your leadership to work with Congress to ensure a seamless long-term tax extenders package is signed into law before the end of the year.

Thank you in advance for working with Congress to provide a permanent or multiyear extension of the expired tax provisions so that manufacturers will have the tools necessary to innovate, invest and compete globally.

Sincerely,

A handwritten signature in black ink that reads "Dorothy Coleman". The signature is written in a cursive, slightly informal style.

Dorothy Coleman