

October 13, 2021

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

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

We are leaders in manufacturing, a sector critical to the U.S. economy and America's ongoing recovery from the COVID-19 pandemic. The industry employs more than 12 million people, contributes more than \$2.44 trillion to the U.S. economy annually, pays workers nearly 24% more than the average for all businesses, and has the largest economic impact of any major sector.

As part of the 98% of the industry comprised of small and medium-sized firms that form the backbone of communities around the country, we write to express our grave concerns with the significant and damaging tax increases currently being considered in Congress. Increasing taxes on manufacturers is a surefire way to harm the economy and hamper job creation.

The Tax Cuts and Jobs Act included a wide range of important reforms, including a lower corporate tax rate, a reduced tax burden on pass-through income, and a modern international tax system. Together, these changes helped drive historic growth in the manufacturing sector. Following tax reform's passage in 2017, manufacturers kept their promises to create jobs, increase wages and benefits, and invest in their communities. Consider the following:

- In 2018, manufacturers added 263,000 new jobs—the best year for job creation in manufacturing in 21 years.
- Manufacturing wages increased by 3% in 2018, 2.8% in 2019, and 3% in 2020. These year-over-year increases were the fastest rates of annual growth since 2003.
- Manufacturing capital spending grew by 4.5% and 5.7% in 2018 and 2019, respectively.
- Overall, manufacturing production grew 2.7% in 2018, with December 2018 being the best month for manufacturing output since May 2008.

The tax increases under consideration would make it harder for manufacturers to continue this growth in the following ways: higher individual and corporate tax rates would reduce capital that small manufacturers could reinvest in their firms; changes to the international tax system would negatively impact globally-engaged companies by undermining their ability to successfully compete in foreign markets and thus directly harming U.S. job creation and investment; limits on deductions (such as deductions for income earned by pass-through entities and interest on business loans) would make it more difficult to fund new equipment purchases; and proposals to tax the transfer of firms to the next generation of manufacturing leaders—such as repealing stepped-up basis, taxing unrealized capital gains at death, increasing capital gains taxes, and expanding the reach of the estate tax—would harm family-owned businesses.

These changes pose a significant threat to the U.S. economy and millions of manufacturing jobs. A recent study published by the National Association of Manufacturers found that increasing corporate and individual taxes, repealing the pass-through deduction and making other tax changes would cost the U.S. 1 million jobs in just the first two years after enactment. A separate NAM analysis found that changes to

the international tax system would result in 1 million jobs lost. Another study found that repealing stepped-up basis would cost America 80,000 jobs per year over the next decade.

Put simply, rolling back tax reform's pro-growth provisions would undermine manufacturers and harm job creation. We respectfully encourage you to reverse course and refrain from increasing taxes on the creators and innovators who make things in America.

Sincerely,

The Aluminum Association  
American Bakers Association  
American Beverage Association  
American Chemistry Council  
American Cleaning Institute  
American Coatings Association  
American Composites Manufacturers Association  
American Forest & Paper Association  
American Foundry Society  
American Frozen Food Institute  
American Mold Builders Association  
American Pet Products  
American Welding Society  
Associated Equipment Distributors Association & Society Management International  
The Association for Manufacturing Technology (AMT)  
Association of Equipment Manufacturers  
Auto Care Association  
Brick Industry Association  
The Can Manufacturers Institute  
Composite Panel Association  
Consumer Brands Association  
Distilled Spirits Council of the United States  
Electronic Components Industry Association (ECIA)  
The Fertilizer Institute  
Forest Resources Association  
Forging Industry Association  
Glass Packaging Institute  
Global Cold Chain Alliance  
The Hardwood Federation  
Household & Commercial Products Association  
INDA, The Association of the Nonwoven Fabrics Industry  
Independent Lubricant Manufacturers Association  
The Independent Packaging Association (AICC)  
Industrial Fasteners Institute  
Industrial Packaging Alliance of North America  
Institute of Scrap Recycling Industries (ISRI)

Interlocking Concrete Pavement Institute  
International Bottled Water Association  
International Sign Association  
IPC International  
Juvenile Products Manufacturers Association (JPMA)  
Metal Powder Industries Federation  
Metal Treating Institute  
Metals Service Center Institute  
The National Association of Manufacturers  
National Fastener Distributors Association  
National Lime Association  
National Mining Association  
National Shooting Sports Foundation  
National Stone, Sand & Gravel Association  
National Tooling & Machining Association  
National Waste & Recycling Association  
National Wooden Pallet & Container Association  
Non-Ferrous Founders' Society  
North American Association of Food Equipment Manufacturers (NAFEM)  
North American Meat Institute  
North American Millers' Association  
Petroleum Equipment Institute (PEI)  
Plastics Industry Association  
Plastics Pipe Institute  
Plumbing Manufacturers International  
Precast/Prestressed Concrete Institute  
Railway Supply Institute  
Resilient Floor Covering Institute  
Society of Chemical Manufacturers and Affiliates (SOCMA)  
Southeastern Lumber Manufacturers Association  
Specialty Equipment Market Association  
Steel Manufacturers Association  
Technology & Manufacturing Association (TMA)  
The Toy Association  
Valve Manufacturers Association of America  
Water and Wastewater Equipment Manufacturers Association  
Window and Door Manufacturers Association

Alaska Chamber

Business Council of Alabama  
Applied Chemical Technology, Inc  
Birmingham Fastener & Supply, Inc.  
General & Automotive Machine Shop  
KFH Industries, Inc.  
O'Neal Manufacturing Services, LLC  
ProcessBarron  
Sabel Steel Service Inc

Associated Industries of Arkansas, Inc.

Arizona Chamber of Commerce and Industry  
Arizona Manufacturers Council  
Chandler Chamber of Commerce  
Genesis Precision LLC  
Greater Flagstaff Chamber of Commerce  
Greater Phoenix Chamber  
Nogales-Santa Cruz County Chamber of  
Commerce  
Tube Specialties Inc.  
Valley Forge & Bolt MFG  
Yavapai Block Company, Inc.

California Manufacturers & Technology  
Association  
AAA Plating & Inspection, Inc.  
ADCO Manufacturing  
ALOM  
B & B Specialties Inc  
Betts Spring Manufacturing  
Bishop-Wisecarver Corporation  
Bobrick Washroom Equipment, Inc.  
CenCal Foods  
Continental Heat Treating, Inc.  
Ducommun Incorporated  
Hood Manufacturing Inc.  
J.L. Childress Co. Inc.  
Kelly-Moore Paint Co.Inc.  
Paulson Mfg  
Plastic Materials Inc.  
Sierra Door  
William Kreysler & Associates, Inc.

Colorado Chamber of Commerce  
Assenmacher Specialty Tools  
Centennial Bolt, Inc.  
Nite Ize, Inc.  
Northwest Douglas County Chamber & EDC  
Steel Storage Systems, Inc

Connecticut Business and Industry Association  
(CBIA)  
Bead Industries, Inc.  
Ulbrich Stainless Steels and Special Metals INC.

Unicorr Packaging Group

Delaware State Chamber of Commerce

Associated Industries of Florida  
Baby K'tan, LLC  
Fibre Tech  
Industrial Plastic Systems  
Jamestown Metal Marine Sales, Inc  
King Plastic Corp.  
Perry Baromedical  
Rayonier Advanced Materials  
Stenner Pump Company  
Syn-Tech Systems Inc.

Georgia Association of Manufacturers  
Chart Industries, Inc.  
Cottrell, Inc.  
Elan Technology inc.  
Flip Electronics, LLC  
Gwinnett Chamber of Commerce  
Torco Inc.  
Universal Alloy Corporation  
Winton Machine Company

Chamber of Commerce Hawaii  
Coastal Windows Inc.

Iowa Association of Business and Industry  
The Adams Company  
Cedar Rapids Metro Economic Alliance  
Council Bluffs Area Chamber of Commerce  
Iowa Laser  
Pella Corporation  
Ranco Fertiliservice, Inc.  
Stellar Industries, Inc.  
Sudenga Industries, Inc.  
Sukup Manufacturing Co.  
Wiese industries, Inc.

Idaho Association of Commerce and Industry  
High Country Fusion  
Price Pump Manufacturing Company

Illinois Manufacturers' Association  
Advance Equipment Mfg. Co.  
Ask Products, Inc.  
Best Cutting Die  
Brucher Machining, Inc.  
Burnex Corp  
C&L Supreme  
Christensen Precision Products  
Composites One LLC  
Core Pipe Products, Inc.  
CPE Filters, Inc.  
Designcraft, Inc.

SPE Manufacturing Co., Inc.  
Gilster-Mary Lee Corp.  
INX International Ink Co.  
J. F. Schroeder Co., Inc.  
KNUTH Machine Tools USA, Inc  
Laser Technologies Inc.  
Laystrom Manufacturing Co.  
Leeco Steel, LLC  
MacLean-Fogg Company  
Manor Tool and Manufacturing Co  
Master Cut EDM, Inc.  
MATRIX 4  
Menk-USA, LLC.  
Modern Plating Corproation  
My Own Meals, Inc.  
Nelsen Steel Company LP  
O&K American Corp  
Parr Instrument Company  
Phoenix Closures  
Phoenix Electric Manufacturing Co.  
Pioneer Service, Inc.  
Semblex Corporation  
SigmaTron International, Inc.  
Simmons Knife & Saw  
Solomon Colors, Inc  
The Line Group, Inc.  
The Stutz Co Inc.  
Tibor Machine Products  
Tri Star Metals LLC  
Unytite Inc.  
Valley Fastener Group LLC

Indiana Manufacturers Association  
Ahaus Tool and Engineering, Inc.  
CTB, Inc.  
Formula Boats  
Fort Wayne Metals  
Fratco, Inc.  
Honeyville Metal Inc  
Industrial Metal Fab Inc  
Kampco Steel Products Inc  
LITKO Game Accessories  
Padgett, Inc.  
Thursday Pools LLC

Kansas Manufacturing Council  
Battenfeld-Cincinnati USA  
The Bradbury Group  
Custom Rollforming Corporation  
Great Plains Ventures, Inc.  
Marion Die & Fixture  
Wenger Manufacturing, Inc.

Kentucky Association of Manufacturers  
Balluff, Inc  
Big Ass Fans

KCC International, Inc.  
North American Stainless  
Skilcraft, LLC  
WireCrafters, LLC

Louisiana Association of Business and Industry  
AFCO Industries, Inc.  
Guidry's Catfish, Inc.

Associated Industries of Massachusetts  
Altra Industrial Motion  
Draper Knitting Company, Inc  
Fall River Manufacturing Co., Inc.  
Flexcon Industries Inc  
iNSCO Corporation  
Westside Finishing Co Inc

Maryland Chamber of Commerce  
Abicor Binzel USA, Inc.  
Atlas Container Corporation  
Better Engineering Manufacturing, Inc.  
BTE Technologies, LLC  
Canam Steel Corporation  
Danko Arlington, Inc.  
Jamison Door Company  
Marlin Steel Wire Products LLC

Maine State Chamber of Commerce

Michigan Manufacturers Association  
Alco Plastics Inc  
AVCMI-LLC  
Azon USA  
Challenge Manufacturing Company  
D+M Metal Products  
E&E Manufacturing Co., Inc.  
Humphrey Products Company  
Industrial Magnetics, Inc.  
Material Transfer & Storage, Inc.  
Pioneer Cabinetry, Inc.  
Quality Chaser Company  
Roman Manufacturing, Inc.  
Shape Corp  
Star Cutter Company

Minnesota Chamber of Commerce  
BB Diversified Services, Ltd.  
Chemstar Products Company, Inc.  
Elemet Group  
MGK  
Regalo International LLC  
TEAM Industries

Associated Industries of Missouri  
Beck Automation  
BKD, LLP

DT Engineering  
Holland 1916 Inc  
Leggett & Platt, Incorporated  
Mid-South Steel Products, Inc  
Missouri Pressed Metals, Inc.  
Porta-King Building Systems  
Superior Home Products, Inc.  
Western Wire Products Company

Mississippi Manufacturers Association  
Hawkeye Industries, Inc.  
LockersMFG

Montana Chamber of Commerce

North Carolina Chamber  
C.R.Onsrud Inc.  
Charlotte Pipe and Foundry  
Chroma Color Corporation  
Glen Raven Inc.  
J. C. Steele & Sons, Inc.  
Ketchie, Inc.  
Klaussner Home Furnishings  
Mafic USA  
Rocky Mount Cord Company  
Rutherford County Chamber of Commerce  
Sturdy Corporation  
The Greater Raleigh Chamber of Commerce  
Winston Packaging

Greater North Dakota Chamber

Nebraska Chamber of Commerce and Industry  
Ace Irrigation & Mfg. Co.  
Behlen Manufacturing Co.  
Blackburn Manufacturing Company  
Dimatic Die & Tool Co.  
Garner Industries Inc.  
Kawasaki Motors Manufacturing Corp., USA  
Lincoln Industries  
Majors Plastics Inc.  
Natural Bed Store, Inc.  
Orthman Manufacturing Inc.  
Pure & Secure LLC  
Structural Component Systems, Inc.  
Business & Industry Association of New  
Hampshire  
ElectroCraft, Inc.  
Elektrisola, Inc.  
Wire Belt Company of America

New Jersey Business and Industry Association  
BLUSA Defense Manufacturing  
Coronation Sheet Metal Co.  
Diamond Chemical Company  
Falstrom Company, Inc.

Holland Mfg. Co.  
ICF Mercantile LLC  
J-Mac Plastics, Inc.  
Kent International Inc.  
MAC Products, Inc.  
Precision Automation Company, Inc.  
Sigma Design Company, LLC  
Stainless Tubular Products, LLC  
Superior Tool & Manufacturing Co.  
Textol Systems Inc.

New Mexico Business Coalition

Nevada Manufacturers Association

The Business Council of New York State, Inc.  
Aero Specialties  
Belmont Metals Inc.  
Jaquith Industries Inc.  
MACNY, The Manufacturers Association  
Schatz Bearing Corporation  
Toray Industries (America), Inc.  
Ultrafab, Inc  
United Safety Technology Inc.

Ohio Manufacturers' Association  
American Colors Inc  
Biro Manufacturing Co.  
Everhard Products, Inc.  
EXAIR Corporation  
IHI Connectors  
Iten Industries, Inc.  
LNS America Inc.  
Mid West Fabricating Company  
O-I Glass  
The Belden Brick Company  
Tiffin Metal Products  
United Performance Metals, LLC  
State Chamber of Oklahoma  
AAON Inc.  
Georg Fischer Central Plastics  
Stroud Safety

Oregon Business & Industry  
Albany Area Chamber  
Bay Area Chamber of Commerce  
Blazer Industries, Inc.  
Lincoln City Chamber of Commerce  
Miles Fiberglass & Composites Inc.  
Molalla Area Chamber of Commerce  
North Clackamas County Chamber of  
Commerce

Pennsylvania Manufacturers' Association  
Ampco-Pittsburgh Corporation  
ANRO Inc.

Betts Industries, Inc.  
Cambria Regional Chamber of Commerce  
Charter Plastics, Inc.  
Chester County Chamber of Business and Industry  
Clearly Clean Products, LLC  
Columbia Montour Chamber of Commerce  
Edward Marc Chocolatier  
Erie Molded Plastics, Inc.  
Evaporated Coatings, Inc.  
FMC Corporation  
Greater Chambersburg Chamber of Commerce  
Greater Reading Chamber Alliance  
Haydon Bolts, Inc. & Affiliates  
Hendrick Manufacturing Co.  
i2M  
Manufacturing Alliance of Philadelphia  
Northeast Pennsylvania Manufacturers & Employers Association  
PMF Industries, Inc  
Robinson Fans, Inc.  
Schuylkill Chamber of Commerce  
St. Marys Carbon Co.  
TW Metals, LLC

Rhode Island Manufacturers Association  
Jade Engineered Plastics

South Carolina Chamber of Commerce  
Atlantic Building Components  
Berkeley Chamber of Commerce  
Charleston Heart Pine  
Domtar Corporation  
Med-Ally, LLC  
Palmetto Brick Company  
Stoba USA Corporation  
Sunbelt Forest Products, Inc.

South Dakota Chamber of Commerce & Industry  
Daktronics, Inc.  
Falcon Plastics, Inc.  
Scotchman Industries, Inc

Tennessee Chamber of Commerce & Industry  
Angor Incorporated  
Atlantic Air Tool Co, Inc.  
Control Technology, Inc  
Durable Products, Inc.  
Elite Storage Products  
G&L Tube, LLC  
Gilded Mirrors, Inc.  
Security Signals, Inc.  
Southern Champion Tray LP

Texas Association of Business  
Alamo Group, Inc.

Freeport LNG  
George Myer Company, Inc.  
Greater Houston Partnership  
Mitsubishi Logisnext Americas  
Nutrifeeds  
Pebcor Corporation  
Q-Tech, LLC  
San Antonio Manufacturers Association  
Special Products & Mfg., Inc.  
Stainless Specialties, Inc  
StatLab Medical Products  
Texas Association of Manufacturers  
WEC Manufacturing

Utah Manufacturers Association

Virginia Manufacturers Association  
Danville Pittsylvania County Chamber of Commerce  
Dominion Chemical Company, Inc.  
Hampton Roads Chamber of Commerce  
Loudoun County Chamber of Commerce  
McClung Printing Inc  
Roanoke Regional Chamber of Commerce  
Shenandoah County Chamber of Commerce

Associated Industries of Vermont  
Maple Landmark, Inc

Association of Washington Business  
Auburn Area Chamber of Commerce  
Deep Sea Fisheries  
Greater Yakima Chamber of Commerce  
Rankin Equipment Co.  
Royell Manufacturing Inc.  
Wagstaff, Inc.  
Washington Alarm

Wisconsin Manufacturers & Commerce  
A & E Incorporated  
Bradley Corporation  
Curt G. Joa, Inc.  
Electronic Theatre Controls, Inc  
Jorgensen Conveyors  
Waukesha Metal Products  
Zelazoski Wood Products, Inc.

West Virginia Manufacturers Association  
Star Plastics, Inc.

Alliance of Wyoming Manufacturers