

Jay Timmons

Executive Vice President

December 13, 2010

U.S. Senate
Washington, DC 20510

Dear Senators:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to support the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010, which provides much-needed tax relief and incentives to create jobs and grow the economy.

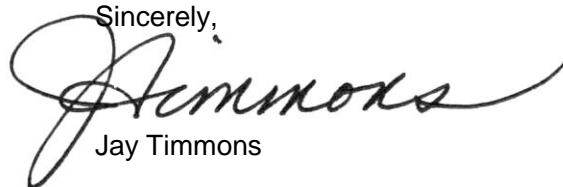
Manufacturers strongly support extending the 2001/03 tax relief to all Americans. Over 70 percent of U.S. manufacturers file as S-corporations or other pass-through entities; most would be significantly and adversely impacted by the higher tax rates that will take effect without congressional action. The non-partisan Congressional Budget Office estimates that fully extending the 2001/03 rates would add between 600,000 and 1.4 million jobs in 2011 and between 900,000 and 2.7 million jobs in 2012. Moreover, lower tax rates on capital gains and dividends will boost capital investment and economic growth.

The NAM has consistently called for repeal or significant reform of the estate tax. For small and medium-sized manufacturers (SMMs), business owners and families, the estate tax is more than a one-time tax. In a 2009 survey of our SMM members, respondents said they spent, on average, \$94,000 annually on fees and estate-planning costs in preparation for their estate tax bill. This is money that could have been used to grow businesses and add jobs.

Renewal of the research and development (R&D) credit and other business extenders is critical to manufacturing competitiveness and should be extended. Manufacturers claim nearly 70 percent of the R&D credit, and R&D fuels innovation that translates into new products, increased productivity and jobs. Similarly, extension of deferral for active financing and the look-through rules will help U.S. competitiveness. Other extenders promote energy efficiency and make permanent important employer-provided education assistance. Moreover, the 100-percent expensing provision will create a positive ripple effect in the economy by encouraging investment and creating demand for machinery and equipment.

The NAM's Key Vote Advisory Committee has indicated that votes on the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010, including procedural motions, merit consideration for designation as Key Manufacturing Votes in the 111th Congress. Thank you for your consideration.

Sincerely,



Jay Timmons

Key Manufacturing Vote