

Dorothy Coleman
Vice President
Tax and Domestic Economic Policy

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Dear Senator:

The National Association of Manufacturers (NAM) — the nation's largest industrial trade association—supports efforts by Congress to advance a multi-year highway reauthorization package to help more efficiently move people and products throughout the country. The NAM however, strongly opposes a \$3 B retroactive tax increase included in the February 3rd Chairman's Mark of the Highway Investment, Job Creation and Economic Growth Act of 2012, scheduled to be considered tomorrow by the Senate Finance Committee.

Until January 1, 2010, the forest products industry was eligible for two renewable fuel tax credits -- the \$0.50/gal refundable alternative fuel mixture credit, and the \$1.01/gal non-refundable cellulosic biofuel producer credit. The proposal in the Chairman's Mark, effective February 3, 2012, would retroactively eliminate the three-year carry forward period for cellulosic biofuel producer credits claimed for 2009 and prohibit taxpayers from choosing between the alternative fuel mixture credit and the cellulosic biofuel producers credit on amended returns. The proposal thus would prevent taxpayers from using existing credit carry forwards from 2009 on 2011 and 2012 income tax returns.

The NAM has long opposed both industry-specific and retroactive tax increases as unsound, unfair and punitive tax policy. In this case, eliminating the ability of the forest products industry to use existing credit carry forwards from previously filed returns amounts, to a retroactive tax increase targeted at a specific industry sector.

Moreover, changing the rules mid-game injects even more uncertainty into business planning and will have a negative impact on companies' investment plans. In some cases companies have already committed to use the money from these tax credit carry forwards to make investments in facilities that will secure jobs.

While recent reports show signs that the U.S. economy is improving, we still are not out of the woods. Manufacturers believe that retroactive tax increases like the one described above will make it even more difficult to achieve durable economic growth. Thank you in advance for opposing this ill-conceived tax law change.

Sincerely,



Leading Innovation. Creating Opportunity. Pursuing Progress.