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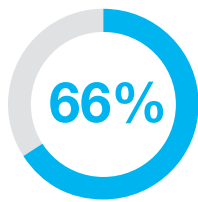
Building on the Promise of Tax Reform

Manufacturers asked, and Congress delivered. After decades of inaction, manufacturers' long-sought goal was achieved with the passage of tax reform, and the NAM's five key priorities were included: a reduced tax burden on pass-through business income, a lower corporate income tax rate, key elements of a territorial tax system, retention of the R&D tax credit and adoption of incentives for capital equipment purchases. As a result, manufacturers have been paying forward the benefits. With a commitment to federal policies that build on those advances rather than roll them back, the industry will continue leading our workers, communities and country toward prosperity.

Adoption of a more competitive tax system has invigorated manufacturing in the United States. Manufacturers' optimism reached record highs following tax reform's passage, and this optimism has translated into action. After tax reform's passage, output in the manufacturing sector reached an all-time high, and it has remained not far from that threshold. In addition, manufacturing job creation was the highest in more than two decades in 2018, and in 2019, job postings in the sector remained highly elevated.

Manufacturers are keeping their promise to use the tools provided to improve the world around them, using tax reform and regulatory certainty to grow the economy, create more jobs and improve the lives of hardworking families. But just as tax reform's passage has helped allow companies to reinvest in their employees and operations, rolling back key provisions of the legislation would mean rolling back the climate for businesses to succeed. Lawmakers should commit to building on the promise of tax reform, and manufacturers will continue keeping their promise of paying forward the benefits.





Two-thirds of NAM members said they would need to consider reducing investments in the United States if tax reform were rolled back.



More than half said they would consider reducing U.S. employment or scaling back wage and bonus increases.

“Tax reform is an opportunity to level the playing field. We could tell in early 2018, immediately after tax reform, that activity was picking up, so we added a second shift and nearly doubled our workforce. Now we are adding over 12,000 square feet to our facilities to expand and debottleneck our operations, which will allow us to become more efficient and continue growing our workforce. If you want small businesses to grow and prosper in this country, we need laws like tax reform to improve the competitive landscape and help drive economic growth.”

—Mark Soucie, President and Owner, Ferroloy

A Tax Agenda for the Future Must:

- Recognize the significance of tax reform to our recent economic success and build on that progress rather than roll it back.
- Improve and make permanent the pro-growth provisions in the tax code that are set to expire.
- Continually reassess the competitiveness of our tax system.

Actions for Leaders to Take:

- ✓ Ensure that regulations implementing new tax provisions on income earned abroad and interest deductibility are appropriately limited and reflect congressional intent.
- ✓ Make permanent and expand the new 20% deduction for business income earned through a pass-through entity.
- ✓ Update and fix provisions of the tax law that make research and debt financing more expensive.
- ✓ Ensure that key incentives for capital equipment purchases remain in the tax code.
- ✓ Keep tax rates on business profits low and competitive.