



April 11, 2013

The Honorable Joe Wilson  
U.S. House of Representatives  
2229 Rayburn House Office Building  
Washington, DC 20515

Dear Congressman Wilson:

Please accept these comments on behalf of the South Carolina Manufacturers Alliance (SCMA) regarding tax policy related to the manufacturing industry. SCMA is an organization that represents more than 400 manufacturing facilities with over 80,000 associates working in South Carolina.

South Carolina, like much of the United States, is experiencing significant growth in the manufacturing sector. In our state, between the years of 2008-2012, 58,458 new jobs and \$17 billion in new capital investments were recruited. This is the type of economic activity that provides meaningful and long-lasting opportunities for all citizens. In order to continue this trend, government must facilitate an environment through sound fiscal policy that encourages investments domestically and is competitive with international markets.

Comments for tax reform policy include:

- **Lower Corporate Tax Rate.** Reducing the corporate tax rate to 25 percent or lower would make the United States' tax system more competitive with our major trading partners.
- **Permanent Research and Development Incentives.** It is critical that any tax reform plan recognize the important role of research and technology investment in creating jobs and innovation. The certainty provided by a permanent R&D provision would enhance its incentive value for investments in the manufacturing industry.
- **Taxation on Investments.** Keeping the tax rate on dividends and capital gains as low as possible will help public companies attract investors and allow them to finance investments that create jobs.
- **Promote International Competitiveness.** Current tax laws make it difficult for U.S. companies with worldwide operations to be competitive in the international marketplace.
- **A Simpler, Fairer, and Balanced System.** Changes to the tax system should make it simpler and more administrable and should treat all businesses fairly regardless of size, type of entity, or sector.
- **Predictability.** A tax code that is predictable and that provides certainty is essential for effective business and tax planning. A fair and stable tax code will make it easier for U.S. manufacturers to compete domestically and internationally.

We appreciate your leadership on the Ways & Means Working Group on Manufacturing. If you have any questions or concerns regarding the comments outlined in letter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Lewis F. Gossett". The signature is written in a cursive style with a prominent loop at the end of the last name.

Lewis F. Gossett  
President & CEO, SCMA