



FACTS ABOUT THE MISCELLANEOUS TARIFF BILL (MTB)

By reducing or suspending duties on imports, the bipartisan Miscellaneous Tariff Bill (MTB) is an important opportunity for U.S. manufacturers to obtain inputs as well as some finished products that aren't made in the United States so that they can compete and expand and create jobs. In short, the MTB is a jobs bill. The National Association of Manufacturers estimates that the MTB supports 90,000 American jobs, increases U.S. production by \$4.6 billion, and expands U.S. GDP by \$3.5 billion.

However, some recent comments regarding the MTB reflect a fundamental misunderstanding about the way the MTB process works and fail to recognize important reforms that have been made to the MTB process currently underway. For a more detailed look at the claims made about the MTB versus how the MTB actually works, please see below.

MYTH: The MTB is a “limited tariff benefit” and thus an “earmark” under House rules.

FACT: MTBs are not “limited tariff benefits” or “earmarks.” House rules define “limited tariff benefits” as provisions benefitting ten or fewer entities. However, MTBs are broadly available benefits, available to anyone who imports the product. The benefits are available not just to importers, but also to manufacturers, supply chain facilitators, retailers, workers employed by these entities, and consumers. Unlike an earmark, which increases spending for a targeted goal, the MTB reduces tariffs – it’s a tax cut. On April 17, Americans for Tax Reform sent a [letter](#) in agreement, noting that it does not consider these bills to be “earmarks” or “limited tariff benefits.” On April 20, 65 House Freshmen sent a [letter](#) in agreement.

MYTH: The MTB would work better if it were an administrative process or one controlled by the executive branch.

FACT: The MTB falls squarely within Congress’s enumerated powers under Article I, Section 8 of the U.S. Constitution to “lay and collect . . . duties.” Thus, transferring the authority to lower duties without Congressional oversight to the Executive runs counter to this basic Constitutional premise. The MTB process is a model of transparency, requiring Members of Congress to introduce bills, vetting of the bills by the independent International Trade Commission and executive agencies, and posting of the bills and accompanying information on the Web, culminating in a single bill then voted on by Congress.

MYTH: The MTB will open the door to other earmarks.

FACT: Republicans are not changing the earmark ban, but instead have reformed the MTB requirements to ensure compliance with House Rules

MYTH: The MTB benefits only the current importer or importers of the product.

FACT: MTBs are broadly available to anyone who imports the product, even if they are not importing now. The bills reduce the duties specified in the Harmonized Tariff Schedule of the United States (HTSUS) – essentially the tax code for imports. Thus, anyone who imports the product can bring the product into the United States either duty-free or at a reduced duty rate.

MYTH: The benefits of the MTB are enjoyed only by those who import the product.

FACT: The MTB has broad downstream benefits, giving U.S. manufacturers access to lower-cost inputs, making them more competitive globally as they export their products, and creating more high-wage U.S. jobs. Those cost savings are then passed along to supply chain facilitators, retailers, workers employed by these entities – all the way to consumers.

MYTH: The MTB is a closed process that lacks transparency.

FACT: The MTB is bipartisan, bicameral process developed over nearly 30 years and has been improved even further this year – it's a model of transparency. The bills are vetted by the independent International Trade Commission and other agencies. Members must submit public disclosures noting whether the benefits are broadly available and any Member/spouse has a financial interest. The bills are scored by CBO and must be under \$500,000 per year. If a domestic manufacturer or Member objects to a bill, it is eliminated. Bills meeting these requirements are compiled into a single bill. All of this information is posted on the Ways and Means Committee website.

MYTH: The MTB hurts domestic producers.

FACT: The MTB boosts the competitiveness of U.S. manufacturers by lowering the cost of imported inputs without harming domestic firms that produce competing products. In the case of finished goods, the MTB similarly reduces costs for consumers if there is no adverse impact on domestic firms. If a domestic manufacturer or Member objects to a bill, it is eliminated.

MYTH: Inaction on the MTB affects no one.

FACT: Ensuring that the MTB is completed this year is an urgent matter. More than 600 provisions relied on by hundreds of U.S. manufacturers – including small businesses – from the MTB in the prior Congress are set to expire this December, meaning that duties would rise at the end of the year. This year's MTB provides an opportunity to renew these provisions and prevent this tax increase.

MYTH: The MTB is a partisan, unicameral process.

FACT: For over thirty years, the MTB has been a bipartisan, bicameral process. This year, the House Ways and Means and Senate Finance Committees coordinated in launching the MTB process. Both Committees are using identical forms and are requiring that Members submit bills by April 30.