



THE AMERICAN MANUFACTURING COMPETITIVENESS ACT OF 2016

H.R. 4923 considers manufacturing tax cuts through fair and transparent process, while upholding strong House earmark ban

GOAL:

For over five years, Republicans have worked to ensure every policy decision we make upholds our strong ban against earmarks. Today, as we move forward to deliver an open and transparent process for the House to consider manufacturing tax cuts through the Miscellaneous Tariff Bill (MTB), we will again maintain the earmark ban. American manufacturers have been hurt by the fact that there is no process in place to cut their costs and help them compete.

Here's our plan to help them:

1. INITIATION OF NEW MTB PROCESS:

- The new process would begin exclusively through petitions made by U.S. and local businesses to the independent, non-partisan International Trade Commission.
 - In the past, the MTB process began by having Members introduce bills.
 - By eliminating Member initiation, the new MTB process is consistent with House Rules.

2. ITC ANALYSIS and PUBLIC COMMENT:

- Once the ITC receives petitions from the business community, the independent panel would conduct its analysis, as in the past, taking comments from the public and the Administration.
- The ITC would issue a public report to Congress with its analysis and recommendations regarding products that meet the MTB tests – including that there is no domestic production – with suggested technical changes and adjustments in product scope to protect our domestic producers.
- All comments and reports, as in the past, would be public – the process would be a model of transparency.

3. EXERCISE OF CONGRESSIONAL CONSTITUTIONAL ROLE:

- Ways and Means, as the Committee of jurisdiction, would examine the ITC's recommendations and draft a MTB proposal. The committee can exclude products from its final proposal, but it CANNOT add products that were not recommended by the ITC.
- As required by House Rules, Ways and Means would certify that there are no spending earmarks and would publish a list of any LTBs. This allows the MTB proposal to be considered by the House under House Rules.
- House and Senate would consider the MTB within existing Rules.

New MTB Process:



No earmarks;
Consistent with
House Rules



Helps U.S.
manufacturers
through tax cuts



Reformed and
Transparent

NEW PROCESS COMPLIES WITH HOUSE/CONFERENCE RULES:

Limited tariff benefits (LTBs), or tax cuts that benefit 10 or fewer businesses, may be considered by the House if no Member has introduced them and the Ways and Means Chairman publishes a list of these LTBs (Rule XXI(9)).

SUPPORT FOR MTB

The National Association of Manufacturers on U.S. Manufacturing Benefits

We strongly urge Congress to eliminate distortions in the U.S. tariff code that are undermining the competitiveness and job growth of our industries by passing the “American Manufacturing Competitiveness Act of 2016” as expeditiously as possible.

National Taxpayers Union and others* on Economic Benefits

By cutting or eliminating tariffs on raw materials and other products, MTBs helped create economic benefits for consumers while bolstering the competitiveness of American companies.

National Taxpayers Union and others* on Transparency and Accountability

Your legislation would wisely allow Congress to achieve the positive economic effects of an MTB without violating the ban on earmarks... These important procedural changes should serve to eliminate any concerns about the parochialism and unethical behavior that were endemic to the earmarking process. Additionally, they add unprecedented transparency, as all correspondence between businesses, the ITC, and Congress would be made easily available to the public in real time.

**Others include Americans for Tax Reform, Campaign for Liberty, Center for Individual Freedom, Council for Citizens Against Government Waste, Jeffersonian Project, R Street Institute, Small Business and Entrepreneurship Council, Taxpayers for Common Sense, and Taxpayers Protection Alliance*