

WASHINGTON DC - This week, Representative Michael Honda of Silicon Valley begins rolling out his legislative manufacturing platform. This platform will reinvigorate a critical component of our national economy by focusing on three components: **Next-generation technologies, startups and small manufacturers, and re-shoring production lines from overseas.** □

Many cynics have spoken about the demise of manufacturing in this nation, calling it a natural transition of the United States to a service-based economy. They point to the dwindling number of Americans finding work in this sector and the flight of production lines to countries with low labor costs and few environmental and worker protections. But these naysayers overlook the resilience of the American worker and the adaptability and innovation inherent in our economy that keeps us at the forefront of global competitiveness. These naysayers overlook the Silicon Valley way of life and business, where the manufacturing sector employs 1 in 5 workers (more than twice the national average), where breakthrough ideas are cultivated, and where the world's most successful visionaries and businesses call home.

As long as we renew our national commitment to winning the manufacturing jobs of the future, bringing Silicon Valley sense to Washington, and employ strategies that play to our nation's natural strengths, we should see a new golden age of American manufacturing.

***The Market Based Manufacturing Incentives Act***, one of the bills highlighted on Democrats' Make it in America Agenda, empowers an apolitical commission of private-sector experts to designate the next generation of disruptive, market-changing technologies. These technologies – not specific companies – would be eligible for a consumer tax credit as long as they are made in the United States. Because these benefits accrue to the consumer and not directly to the business, the customer will dictate winners in the market place, not the government. While we believe in clean air, safe water, and a living wage, these factors need not result in un-competitively high shelf prices for American-made products.

***The Scaling Up Manufacturing Act***, endorsed by the American Small Manufacturers Coalition, the American Chemical Society, and Silicon Valley's own Applied Ventures, provides support to this nation's entrepreneurs at the most critical stage of their business's growth. The Scaling Up Manufacturing Act provides companies a 25% tax credit on the costs associated with building their first manufacturing facility in the United States. The best ideas are still researched and developed in this nation, and it's past time that they are produced right here at home, too. This proposal stops offshoring before it ever starts, keeps our burgeoning businesses here at home, and helps turns ideas into success stories.

***The Re-Shoring Bonus Deduction Act*** is a draft proposal aimed at promoting growth in domestic manufacturing among this nation's most established and global enterprises. With the vast majority of consumers located overseas, an international presence is a necessary

component of a successful business model for many of our homegrown corporations. But at the very least, we should reward companies that bring jobs back to the United States and contribute to our nation's economic growth by employing American workers. This proposal would "bonus up" the §199 domestic production activities deduction based on the size of a company's US footprint and their efforts to bring jobs back to our shores. Under this framework, those companies with the largest domestic production will see effective tax rates as low as 28%, a more globally competitive rate than our top statutory rate of 35%.

***The Startup Innovation Credit Act***, led by Representative Jim Gerlach (R-PA) and cosponsored by Representative Honda, fixes a fundamental flaw with the renowned research and experimentation tax credit, so that startup businesses getting off the ground that are still without tax liability can receive the support they deserve for their R&D activities. Under this proposal, if a startup company cannot claim the R&D credit because it does not have an income tax liability, it can claim it in the following year by reducing its employer-side payroll taxes by an equivalent amount.