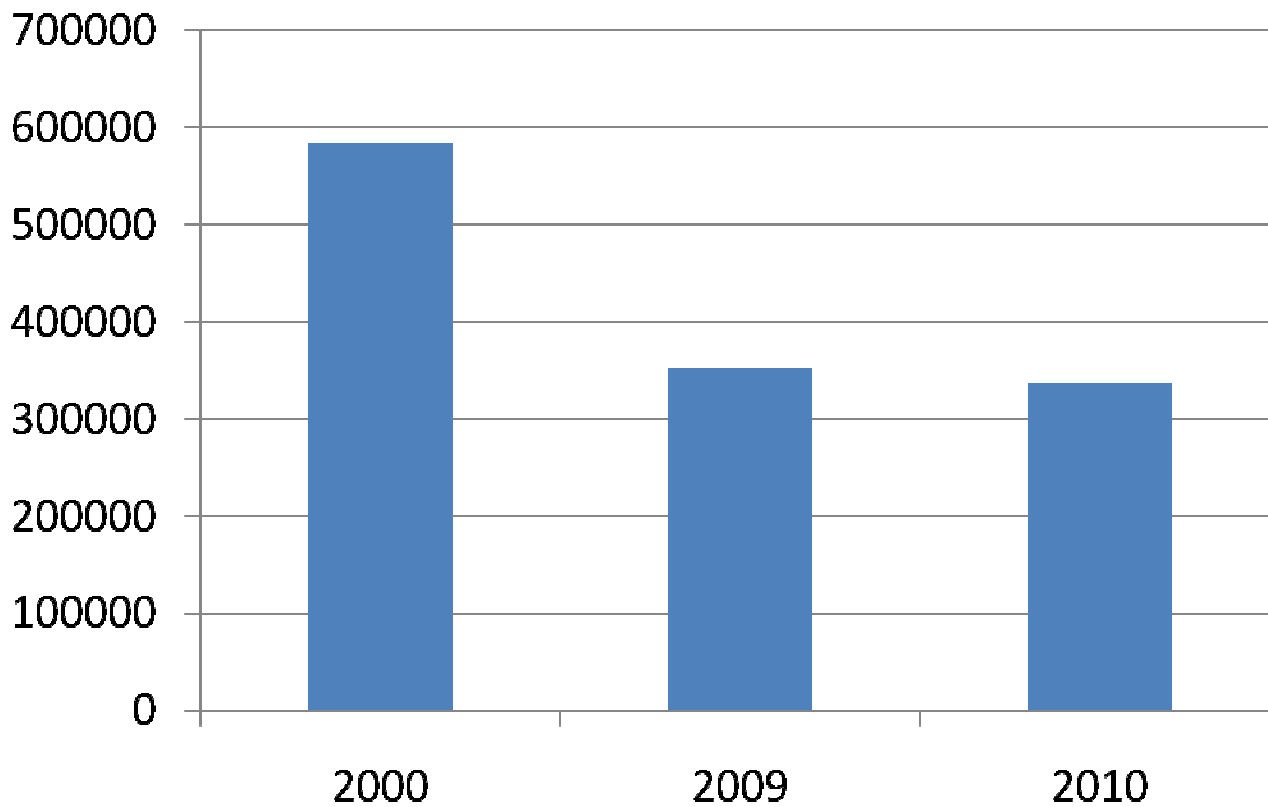
An outline map of the state of Georgia, showing its irregular borders. The map is centered on the page, and the text is overlaid on it.

9,900 Manufacturing Operations
Located Across Every County in Georgia

Declining Manufacturing Employment

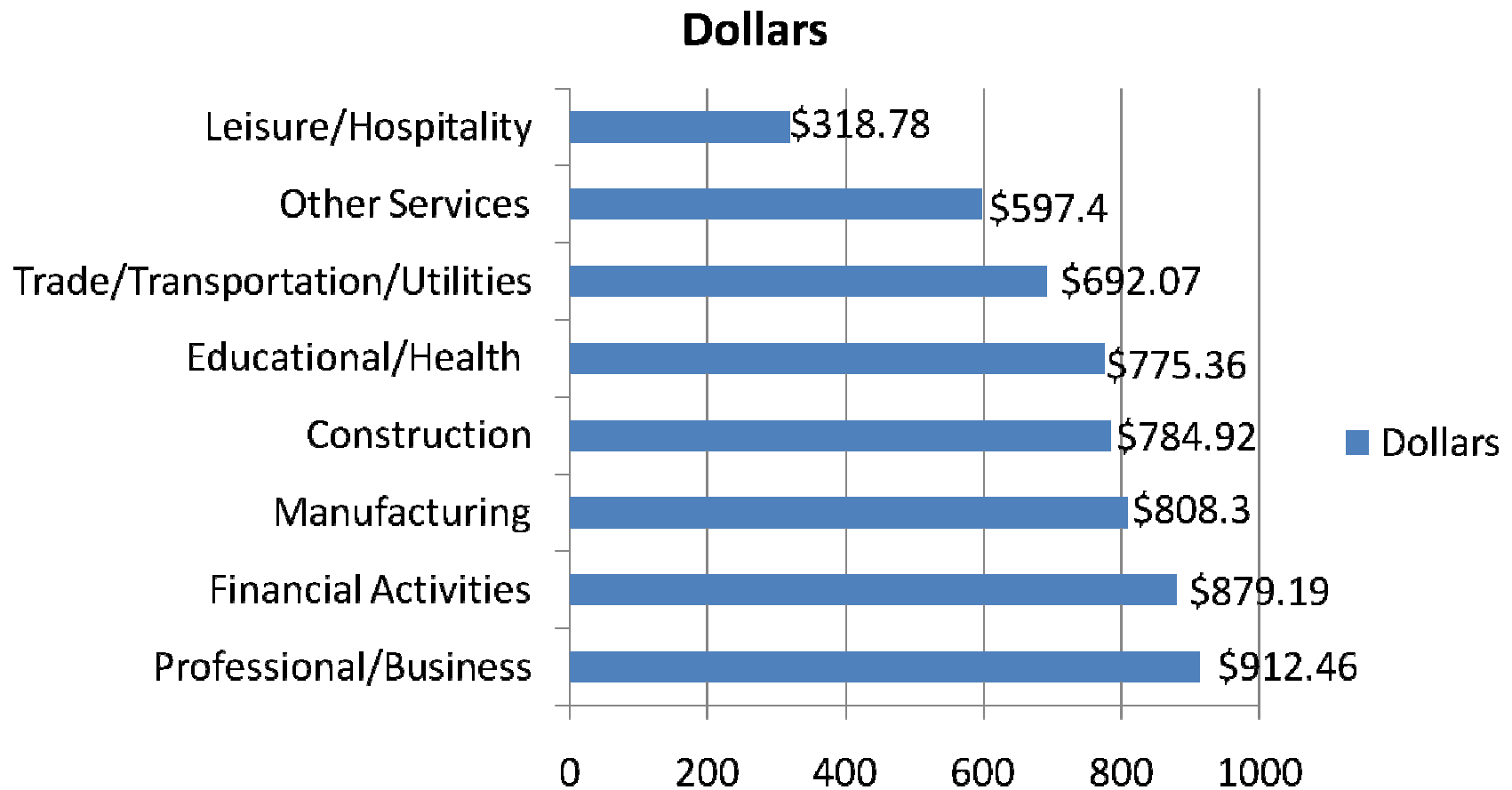
Manufacturing Jobs



Percentage of total non-farm workforce:
2000: 16.0%
2009: 11.0%
2010: 10.6%

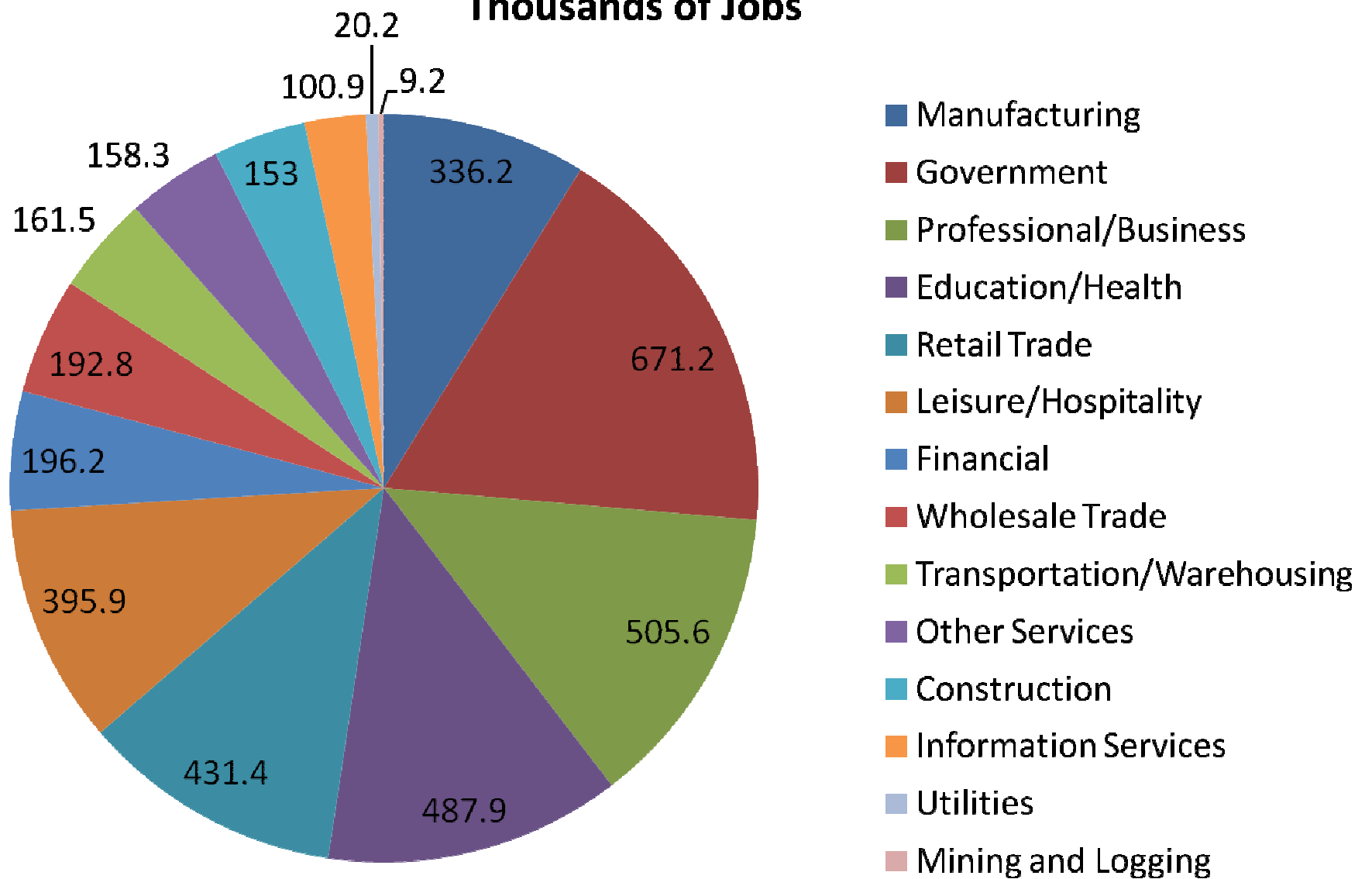
**Loss of \$66 Million
in Manufacturing Wages**

Average Weekly Earnings in Georgia



Georgia Workforce – Non-Farm Employment – August 2010

Thousands of Jobs



Reasons Manufacturing Matters

1. It drives “wealth creation” in communities.

2.

3.

4.

5.

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4. It plays a disproportionate role in the economies of Georgia’s smaller communities and rural areas
5. It produces the largest multiplier effect.

Other Reasons

1. Georgia's manufacturers support countless charities.
2. Their employees contribute hundreds of thousands of hours to community and charitable organizations.
3. Georgia's manufacturers export to the world market, thereby helping to reduce America's trade deficit.
4. They invest heavily in research and development.
5. Georgia's manufacturers set an example for environmental stewardship and sustainability initiatives.

Guiding Principles

Growth Enhancing

Council on State Taxation:

“[I]mposing sales tax on business inputs violates several tax policy principles and causes significant economic distortions. Taxing business inputs raises production costs and places businesses within a state at a competitive disadvantage to businesses not burdened by such taxes. Taxes on business inputs, including taxes on services purchased by businesses, must be avoided.”

Eliminate Sales Tax on Energy Used in Manufacturing

Preserve:

Single Factor Apportionment

Integrated Plant Theory

Investment, jobs, R&D, retraining,
and port activity tax credits

Consider:

Extending to 20 years from 10 years the period over which unused income tax incentive credits can be carried forward.

Restricting the tax on lease payments to personal property located in the state.

Requiring Georgia to adopt the federal bonus depreciation that was put in place to encourage investments in fixed assets

Requiring Georgia to adopt the federal domestic manufacturer's deduction that was put in place to encourage domestic manufacturing

Eliminating the net worth tax.

Applying the R&D tax credit in the same manner as all other tax credits rather than only after all of the other credits are applied.

THANK YOU

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