

AMT President: Small Manufacturing Needs Govt. Assistance

McLean, VA — Testifying before the House Small Business Committee, Douglas K. Woods, President of [AMT-The Association For Manufacturing Technology](#) [1], told members of the committee that the effects of tax breaks and other provisions within the American Recovery and Reinvestment Act - the stimulus law - have so far been minimal on the struggling manufacturing industry.

Woods says that AMT supported several business tax provisions that were included in the American Recovery and Reinvestment Act of 2009. The top two were a one-year extension through 2009 of the 50 percent bonus depreciation on new equipment purchases, and the enhanced Section 179 expensing on new and used investments.

“Our companies have been faced with customers who normally might be encouraged by these provisions to invest in equipment, but who either cannot get the working capital to do so, have sunk into loss positions this year and no longer qualify, or who are just too reluctant to make investments until they have a better sense of where the economy is headed,” he says.

“We really need the depreciation incentives extended through at least 2010 to get the intended stimulative effect from them.”

“I truly do believe that the future holds promise and opportunity if our industry can make it through the next six months,” Woods says.

But “without a strong manufacturing technology base in America, the United States will end up trading our dependency on foreign oil for a new dependency on foreign technology. And that prospect is, for the future of our country, frightening.”

Woods expressed optimism that another provision included in the stimulus bill — the expansion of the Net Operating Loss carry-back from two to five years — would offer some relief to companies that fell into loss positions in 2008.

However, Woods observed that many of AMT’s member companies did not fall into loss positions during 2008, and that the provision would only help if it were extended to companies that experienced losses in 2009 and 2010.

To further assist these companies, Woods proposed that Congress and the administration give small businesses a six-month reprieve from paying certain federal business taxes, such as the payroll tax. Woods also urged Congress to act immediately to help loosen credit for small businesses, particularly manufacturers.

At the same time, Woods cautioned against enacting any new taxes against

AMT President: Small Manufacturing Needs Govt. Assistance

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

American businesses, as it could mean that “Congress will undo virtually everything it has been trying to do now to put our economy into recovery.”

Woods testified on behalf of the manufacturing technology industry, a small but critical sector that is the foundation for the entire U.S. manufacturing base. Manufacturing technology is crucial to developing the innovations necessary for increasing energy efficiency and independence, advancing medical technology and providing for a strong national defense.

However, this industry is made up of mostly small and mid-sized companies that have been among the hardest hit in the current recession. The latest industry report shows that consumption in the machine tool sector of the manufacturing technology industry is down 70 percent year over year. Many manufacturing technology providers are at risk of going out of business by year’s end if circumstances don’t improve.

For more information visit www.AMTOonline.org [2].

Source URL (retrieved on 07/25/2014 - 10:56am):

http://www.impomag.com/articles/2009/07/amt-president-small-manufacturing-needs-govt-assistance?qt-most_popular=0&qt-digital_editions=0

Links:

[1] <http://www.amtonline.org/>

[2] <http://www.AMTOonline.org>