

INVESTMENT AND INNOVATION

PRINTING United Alliance supports a federal tax system that meets the following principles:

- Tax policy should promote economic growth, U.S. job creation and the ability of U.S. manufacturers to compete in global markets.
- Simplicity and certainty are important principles for federal tax policy.
- The tax burden should be as low as possible, competitive with other jurisdictions, broadly based, and nondiscriminatory.
- An important objective of long-term tax policy is to provide for competitive tax rates that are low enough to attract the long-term capital formation and investment necessary to ensure durable economic growth.

A future tax agenda must make the **key pro-growth provisions** in the tax code that are set to expire at the end of 2025 permanent. Those provisions allowed print service providers to expand their facilities, create jobs, provide higher wages, increase productivity, and successfully compete in the global marketplace. Most printing companies meet the U.S. Small Business Administration's definition of a small business, are organized as pass-through entities and pay taxes at the individual rate. At the same time, many print original equipment manufacturers are multinational corporations, and their production and pricing necessitate a globally competitive corporate tax rate.

Actions for Leaders to Take

- **Pass-Through Deduction:** Make permanent the 20% deduction that has allowed small businesses organized as pass-throughs to compete on a level playing field.
- **Corporate Tax Rates:** Preserve the 21% corporate tax rate and ensure Main Street does not shoulder a larger than necessary tax burden by exploring ways to more closely align the tax treatment of C corporations and S corporations.
- **Individual Tax Rates:** Prevent damaging tax hikes on manufacturing families and pass-through manufacturers that pay tax at individual rates.
- **Research and Development:** Restore immediate R&D expensing and preserve America's leadership in R&D and innovation and seek legislative solutions to expand small business access to and applicability of the R&D tax credit.
- **Full Expensing:** Preserve the ability for manufacturers to immediately expense 100% of the cost of capital equipment purchases.
- **Interest Deductibility:** Support manufacturers' efforts to get job-creating projects off the ground by returning the U.S. to an Earnings Before Interest, Taxes, Depreciation, and Amortization standard for interest deductibility.
- **Estate Tax:** Make a full and permanent repeal of the estate tax to allow family-owned businesses to protect assets and successfully transfer operations upon an owner's death.

These pro-growth tax provisions will help printers continue to invest, which results in increased manufacturing productivity, wages, and jobs in the printing industry. If the provisions expire, it will result in higher taxes which will cost millions of jobs and put the American manufacturing sector at a severe disadvantage globally. A robust domestic print manufacturing industry can only flourish if the tax provisions are preserved and made permanent.

About PRINTING United Alliance

PRINTING United Alliance, the most comprehensive printing and graphic arts trade association in the U.S., is built by and for printers and professionals in the industrial, graphic, garment, textile, electronics, packaging, and commercial printing markets. Find more information about the Alliance at: <https://www.printing.org/> or send an email to govtaffairs@printing.org.