



Press Release

For Immediate Release

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House and Senate Consider Tax-Free Accounts for Manufacturers *Wood Industry Manufacturers Are Urged To Support New Bill*

September, 2011 - The Wood Machinery Manufacturers of America (WMMA) is urging its members to support a proposal now before Congress to create a tax-free savings program for manufacturers that is similar to an Individual Retirement Account.

Connecticut legislators have introduced separate bills in the U.S. House of Representatives and in the Senate to establish the Manufacturing Reinvestment Account Act. The act would allow manufacturers to save pre-tax dollars to invest in plant, equipment, job training or workforce development. Much like an IRA, funds would build up tax free.

With an MRA manufacturers could make annual contributions up to \$500,000 over a period of seven years. If a manufacturer contributes \$500,000 annually and the account earns interest at 5 percent, with a 15% tax rate on amounts distributed from the MRA, after seven years the manufacturer would have approximately \$3.6 million to reinvest in his or her business.

WMMA Treasurer Jamison Scott said members should contact their area representatives and urge passage of the bill, which is currently under consideration by the House Ways & Means Committee.

“Many woodworking companies are ‘S’ corporations and can take advantage of this bill,” said Scott, who is executive vice president of Air Handling Systems Inc. in Woodbridge, Conn.

“Putting the Manufacturing Reinvestment Account Act into effect is one of the top three issues the WMMA board has identified for members to focus on this year.”

U.S. Rep. Rosa DeLauro, D-Conn., first introduced the bill in the House in January. “If we want our nation to continue to be successful and competitive in the global marketplace, we must return to an outlook in America that prizes and supports domestic manufacturing,” DeLauro said. “The Manufacturing Reinvestment Account Act (will enable) America’s manufacturers to invest in their business and get a bigger return on their hard-earned dollars.”

Connecticut Sen. Richard Blumenthal introduced the act in the Senate in July. “Manufacturers need ready capital to expand capacity and create new jobs, which these new accounts will help provide,” Blumenthal said. “Just as individuals have IRAs, manufacturers should have MRAs that enable them to put away cash tax free that can be used to buy equipment and provide training to keep them competitive.”

Here is a list of groups and companies that have endorsed the act:

Association For Manufacturing Technology

Association of Woodworking & Furnishings Suppliers®, *AWFS*®

Greater New Haven Chamber of Commerce

Industrial Fasteners Institute (IFI)

Forging Industry Association (FIA)

New Haven Manufacturers Association (NHMA)

Wood Machinery Manufactures Of America (WMMA)

Air Handling Systems

Alloy Engineering

Identification Products Corporation

Orange Research

Panel Pro Technology