

April 22, 2021

Honorable Emanuel “Chris” Welch  
Speaker of the House  
300 State House  
Springfield IL 62706

Honorable Don Harmon  
Senate President  
327 State House  
Springfield IL 62706

Honorable Jim Durkin  
House Republican Leader  
316 State House  
Springfield IL 62706

Honorable Dan McConchie  
Senate Republican Leader  
309 State House  
Springfield IL 62706

Dear Speaker Welch, President Harmon, Leader Durkin, and Leader McConchie:

On behalf of the Illinois Manufacturers' Association, the undersigned companies, and the state's manufacturing sector, we write in opposition to proposals seeking to raise taxes on our state's manufacturers and job creators by nearly one billion dollars.

Manufacturing is a critical cog in Illinois' economy, and we need policies that encourage capital investment and job creation. Today, our state's manufacturing sector employs 556,000 women and men on factory floors in jobs that pay an average of more than \$88,000 in wages and benefits. Ninety-two percent of manufacturing employees have access to employer-provided health care. Manufacturing contributes the single largest share of the Gross State Product and creates the largest economic and jobs multiplier.

Over the last year, Illinois manufacturers have led the way forward during the worst economic and health crisis in generations. Manufacturers created life-saving vaccines and therapies, produced critical PPE for our health care workers and first responders, stocked our grocery stores with safe and nutritious food, built our infrastructure, ensured strong communication systems, powered our homes and businesses, and provided for our nation's defense. More than 1,000 manufacturers joined the IMA and iBIO as part of Illinois' Essential Equipment Task Force in a wartime-like effort to battle the global pandemic.

We have strong concerns about several proposals seeking to eliminate tax incentives designed to help attract and grow the manufacturing sector, especially in the midst of Illinois' attempt to rebuild and recover from the pandemic.

**The manufacturing sector opposes efforts to eliminate the following incentives:**

Manufacturers Purchase Credit (Manufacturing Machinery & Equipment): This new incentive signed into law in 2019 was part of an agreement with the state's manufacturers and members of the General Assembly that brought Illinois into line with the majority of states. It exempts the purchase of consumables used or consumed in the manufacturing process such as fuel, oil, coolants, solvents, and lubricants.

Accelerated Depreciation: Many manufacturers and other businesses invested in equipment during 2020 to help battle the pandemic such as machinery to produce PPE or sanitize facilities. Many companies bought new manufacturing equipment using the accelerated depreciation rules in place at the time to grow and expand their footprint in Illinois. Eliminating accelerated depreciation will reduce capital investment in Illinois along with the jobs and encourage companies to expand outside of Illinois.

Net Operating Loss Deduction: The NOL is designed to help assist those companies that have experienced financial losses which often includes start-up companies or those impacted by the global pandemic. Limiting the NOL deduction will impact cash flow for struggling businesses during challenging times.

Corporate Franchise Tax: Originally created in 1872 as a tax on the "privilege of operating" in Illinois, this antiquated tax was in the process of being eliminated due to a 2019 tax law. Reinstating the corporate franchise tax will add costs for 317,000 businesses that are primarily small and mid-sized companies.

Tax Foreign Dividends: Imposing this tax law change will create cascading layers of corporate taxation when more than one entity is involved in a single productive activity. Additionally, it seeks to include GILTI income in tax calculations.

In the closing weeks of the 2021 spring legislative session, we encourage you to oppose these tax hikes on our state's manufacturers and job creators. Let's work together to create jobs in Illinois and end the out-migration of our residents. The IMA and our members stand ready to work with you on policies that will help expand our state's manufacturing sector.

Thank you.



Mark Denzler  
President & CEO

CC: Members of the General Assembly

Ace Anodizing & Impregnating Inc, *Hillside*  
Ace Metal Crafts Co., *Bensenville*  
Acme Industrial Company, *Carpentersville*  
Active Graphics, *Cicero*  
ACW, *Itasca*  
Adair Enterprises, Inc., *Elk Grove Village*  
AFGCO, *Cicero*  
Aldrich Company, *Wyoming*  
Alsey Refractories Company, *Alsey*  
Alton Steel Inc., *Alton*  
Amsted Industries Incorporated, *Chicago*  
APL Engineered Materials, Inc., *Urbana*  
Archer Wire, *Bedford Park*  
ASI Accurate Partitions Corp., *Burr Ridge*  
Associated, *Addison*  
Assurance, *Schaumburg*  
Aurora Metals Division LLC, *Montgomery*  
Automation International, Inc., *Danville*  
Azteca Foods, Inc, *Forest View*  
Bag Makers, Inc, *Union*  
BEER NUTS, *Bloomington*  
Bema Incorporated, *Elmhurst*  
Benda Manufacturing, Inc, *Tinley Park*  
Better Containers, *Hillside*  
BFC, *Batavia*  
B-O-F Corporation, *Aurora*  
BOPI, *Bloomington*  
Bourn & Koch, Inc., *Rockford*  
Brennan Equipment & Manufacturing Inc, *University Park*  
Brite-O-Matic Manufacturing, Inc., *Arlington Heights*  
Campbell Int'l. Inc., *Wauconda*  
Carmody-Wort Group dba C-F Fabricators Inc., *Hoffman*  
Case Paper, *Chicago*  
CE Printed Products, *Carol Stream*  
Cedar Concepts, *Chicago*  
Chicago Blower Corporation, *Glendale Heights*  
Chicago Glue Machine & Supply Co., Inc., *Itasca*  
Chromatech Printing, Inc., *Des Plaines*  
Continental Envelope, *Geneva*  
Continental Web Press, Inc., *Itasca*  
Core Pipe Products, Inc., *Carol Stream*  
Corey Steel Company, *Cicero*  
Country Bob, Inc., *Centralia*  
Crescent Cardboard, *Wheeling*  
Crossmark Printing, *Tinley Park*  
Cushman & Wakefield, *Rosemont*

Custom Aluminum Products, *South Elgin*  
Custom Plastics Inc, *Elk Grove Village*  
Danville Area Community College, *Danville*  
Danville Metal Stamping Co., Inc., *Danville*  
Daubert Chemical Company, Inc., *Chicago*  
Dec Tool Corporation, *Saint Charles*  
Decatur Industrial Electric, *Decatur*  
DKB Partners dba AAA Tool and Machine Co., *O'Fallon*  
Doppio Group, *Chicago*  
Double-M-Machine, Inc., *Fairbury*  
Dyno Nobel Inc, *Wolf Lake*  
EC Schultz, *Elk Grove Village*  
Edgewater Products Company Inc, *Melrose Park*  
Eenigenburg Manufacturing Inc., *Lansing*  
EMCO Chemical Distributors, *North Chicago*  
FGS-IL LLC, *Aurora*  
Fischer Paper Products, *Antioch*  
Framarx/Waxstar, *South Chicago Heights*  
Franklin Display Group, *Belvidere*  
Frantz Manufacturing Company, *Sterling*  
Frasca International, Inc, *Urbana*  
Freedman Seating, *Chicago*  
Fujifilm North America Corporation, *Hanover Park*  
G. J. Nikolas Co., Inc., *Bellwood*  
Gallagher Corporation, *Gurnee*  
Gelita USA Inc., *Calumet City*  
General Converting, Inc., *Bolingbrook*  
Getz Fire Equipment Company, *Peoria*  
Gilster-Mary Lee Corp., *Chester*  
Graphic Arts Finishing Company, *Melrose Park*  
Graphic Partners, *Zion*  
Grasso Graphics, Inc., *Alsip*  
Graymills Corporation, *Broadview*  
Green Valley Manufacturing, *Mt. Zion*  
Guardian West, Flex-N-Gate, *Urbana*  
H&B Machine Corporation, *Chicago*  
H&H Graphics, LLC, *Vernon Hills*  
H.S. Crocker Co., *Huntley*  
HCC, Inc., *Mendota*  
HMC Products, *Machesney Park*  
Hoffer Plastics Corporation, *South Elgin*  
Home Run Inn, *Woodridge*  
Horween Leather Company, *Chicago*  
HTS Coatings LLC, *Madison*  
Hudson Precision Products Co., *Broadview*  
Hydro-Gear, *Sullivan*

Induction Heat Treating Corp., *Crystal Lake*  
Industrial and Wholesale Lumber Inc. DBA Totem Lumber and Supply Inc., *Schiller Park*  
Industrial Hard Chrome, *Geneva*  
Ingersoll Machine Tools, *Rockford*  
Integrated Graphics, *Batavia*  
International Paper, *Aurora, Bedford Park, Belleville, Carol Stream, Des Plaines, Itasca, Lincoln, Montgomery, Northlake, & Rockford*  
Jefferson County Development Corporation, *Mt Vernon*  
Jeffery W. Craven, CPA, *Itasca*  
Jorson & Carlson Company, *Elk Grove Village*  
Kimco USA Inc, *Marshall*  
Komatsu America Corp., *Chicago*  
Konica Minolta, *Rolling Meadows*  
Lake County Press, Inc., *Waukegan*  
Lapham-Hickey Steel Corp., *Bedford Park*  
Lemfco, Inc., *Galena*  
Liberty Creative Solutions, Inc., *Tinley Park*  
Litania Sports Group, *Champaign*  
Lithographic Ind. Inc, *Broadview*  
Maass Midwest Mfg., Inc., *Huntley*  
MacLean-Fogg Company, *Mundelein*  
Matrix Plastic Products, Inc., *Wood Dale*  
McGrath Printing | Custom Apparel, *Crystal Lake*  
Mclean Manufacturing Company, *Barrington*  
Mel-o-Cream Donuts International, Inc, *Springfield*  
Micron Industries Corporation, *Oak Brook*  
Midland Paper company, *Wheeling*  
Midwest Food Products Association  
Midwest Print Solutions LLC, *Mundelein*  
Molding Services of Illinois, *Olney*  
Monitor Technologies LLC, *Elburn*  
Morton Industries LLC, *Morton*  
MTH Tool Company, Inc., *Plano*  
National Safety Apparel, Inc., *Chicago*  
Nelsen Steel Company, *Franklin Park*  
North American Lighting, *Paris*  
Onken's Inc., *Easton*  
Owens-Illinois Inc., *Perrysburgh*  
P&P Press, Inc., *Peoria*  
Pallet Repair Systems Inc., *Jacksonville*  
Pap R Products Company, *Martinsville*  
Particle Reduction Service Corp., *Lemont*  
Phoenix Closures, *Chicago*  
PICO Chemical Corporation, *Chicago Heights*  
Prairie State Impressions, *Franklin Park*  
Precision Cutting Technologies (Bourn-Koch Inc), *Rockford*

Prince Industries, Inc., *Carol Stream*  
Printers Repair Parts Inc., *Franklin Park*  
PrintSure, LLC, *Elk Grove Village*  
Prism Corporation, *Chicago*  
Protectoseal, *Bensenville*  
Pulver Packaging, *Elk Grove Village*  
PVS Chemical Solutions Inc, *Chicago*  
QC Powder INC., *Franklin Park*  
Quantum Design, Inc, *Caledonia*  
Quantum Group, *Morton Grove*  
Rahco Rubber, Inc, *Des Plaines*  
Rantoul Foods, *Rantoul*  
Reliable Fire & Security, *Alsip*  
Richards Graphic Communications, Inc., *Bellwood*  
Rockford Specialties Co, *Loves Park*  
Roland J Fischer & Associates, Inc, *Wheaton*  
Salani Design & Merchandising, *Schaumburg*  
Sev-Rend Corporation, *Collinsville*  
Shorr Packaging Corp., *Aurora*  
Sicame Corp., *Aurora*  
Siemer Milling Company, *Teutopolis*  
Smith and Richardson Inc, *Geneva*  
Specialty Print Communications, *Niles*  
Specialty Screw Corp., *Rockford*  
Speco Inc., *Schiller Park*  
Spill-Stop Mfg LLC, *Melrose Park*  
Splash Graphics, Inc., *Willowbrook*  
Springfield Plastics, Inc, *Auburn*  
StandFast Group, *Carol Stream*  
Sterling Steel Company, LLC, *Sterling*  
Sternberg Lighting, *Roselle*  
Stromberg Allen and Company, *Tinley Park*  
Sunnyside Corporation, *Wheeling*  
Tamarack Products, Inc., *Wauconda*  
Team Concept Printing, *Carol Stream*  
Terco, Inc., *Bloomington*  
The Knapheide Manufacturing Company, *Quincy*  
The Libman Company, *Arcola*  
The Responsive Mailroom, *Elgin*  
Three Z Printing, *Teutopolis*  
Tibor Machine Products, *Bridgeview*  
Total Printing Systems, *Newton*  
Toyota Boshoku Illinois, *Lawrenceville*  
Tridan International, *Danville*  
Trim-Tex Inc, *Lincolnwood*  
United Engravers, *Schaumburg*

United Scrap Metal, Inc., *Cicero*  
Universal Chemicals & Coatings, Inc, *Elgin*  
Unytite Inc., *Peru*  
US Weight, *Olney*  
Utility Concrete Products, LLC, *Morris*  
V J Dolan & Co Inc, *Chicago*  
Vapor Power International, LLC, *Franklin Park*  
Venture USA LLC, *Geneva*  
VISOgraphic Inc., *Northbrook*  
Vitco Steel Supply Corp, *Posen*  
W.R. Meadows, Inc., *Hampshire*  
Wabel Tool Company, *Decatur*  
Wahl Clipper Corporation, *Sterling*  
Watershed Foods, *Gridley*  
Western Structural Company, Inc., *Moline*  
WestRock, *New Lenox*  
Wiegel Tool Works, Inc, *Wood Dale*  
Wittenstein Holding Corp., *Bartlett*  
WorldBridge Partners Chicago NW, *Lake Zurich*  
Yorke Print Shoppe, Inc., *Lombard*