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Leaders Discuss Issues Facing Florida Manufacturers

Article By:			

As part of its ongoing 2016 State of Manufacturing Tour, the National Association of Manufacturers ("NAM"), including CEO Jay Timmons and others, stopped in Tampa, Florida on January 28 and 29, 2016. The visit included tours of local manufacturers' facilities, such as Bristol-Myers Squibb and Sun Hydraulics. In addition to interfacing with local manufacturers, NAM issued a call to action, encouraging manufacturers to engage with political candidates in preparation for the 2016 elections.

I had the pleasure of attending a panel discussion and reception held at the Port of Tampa on January 29. The panel discussion featured business and community leaders—Tom Feeney, the CEO of <u>Associated Industries of Florida</u>; James Long, a representative of the local <u>Bay Area Manufacturers Association</u>; and Florida legislators, Representative Kathleen Peters and Senator Jack Latvala—just to name a few. The discussion focused on two main issues: the skills gap and taxation.

The Skills Gap

The "skills gap" has challenged American manufacturers in recent years and refers to the dearth of American laborers who have sufficient training, education, and skills to serve the specialized needs of modern manufacturers.

One panelist, Chris Hart of CareerSource, directly asked Mr. Timmons how local government and business can address the skills gap. Mr. Timmons offered the following suggestions: (1) encourage local community colleges to develop programs to arm students with relevant manufacturing skills, and (2) educate our youth about the viability of long-term, high-paying careers in manufacturing. A local manufacturer with whom I spoke added that manufacturers need to change the perception of trade schools. Fortunately, meetings such as this one aim to promote cooperation among manufacturers in addressing common challenges, such as the skills gap.

Florida Taxation

This spring, the Florida legislature faces two significant tax issues affecting manufacturers. First, lawmakers must decide whether to continue a sales tax exemption for manufacturers. *Florida* <u>Statutes § 212.08(5)(b)</u> exempts certain purchases of manufacturing equipment from Florida's sales tax. This exemption will disappear in 2017 unless the Florida legislature takes action, and attendees expressed optimism that the Florida legislature would make this exemption permanent.

Second, the panel discussed a proposal that would exempt manufacturers from Florida's corporate income tax. Senator Latvala expressed skepticism about the Florida legislature exempting manufacturers from Florida's corporate income tax, citing concerns regarding \$800M in lost revenue and corporate manipulation of industry codes. Of course, only time will tell how these issues will be resolved when the Florida legislature convenes later this year.

Upcoming Elections

Following the panel discussion, Mr. Timmons delivered a "State of Manufacturing" address in which he challenged manufacturers to ensure politicians speak to manufacturing issues during the 2016 election-cycle. For example, in his address, Mr. Timmons reminded manufacturers that the United States maintains free-trade agreements with only 20 countries that comprise 6% of the world's populations but purchase half of America's manufactured exports. To promote American manufacturing and reduce the national trade deficit, Mr. Timmons touted the <u>TransPacific Partnership</u> ("TPP") and <u>Transatlantic Trade and Investment Partnership</u> ("TTIP")—two free trade agreements that have recently been and will continue to be the subject of debates in Congress.

The event was excellent, and the future for Florida manufacturers looks bright. According to Florida Governor Rick Scott, 2016 is "the year of the manufacturer."

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