



**American
Forest & Paper
Association**

Tax Cuts and Jobs Act Provides a Foundation for Growth

August 2019

The recently-enacted *Tax Cuts and Jobs Act* encourages economic growth, job creation and the competitiveness of all U.S. businesses. Central to the new tax system is a low corporate tax rate, support for investment in U.S. manufacturing and its global supply chain and an international tax system that reflects a globally-competitive territorial tax system.

The U.S. forest products industry — made up of both C-corporations and pass-through entities — is a significant contributor to the U.S. economy, employing approximately 950,000 men and women in above-average wage jobs, investing heavily in equipment and improvements and exporting products throughout the world. The industry produces more than \$300 billion in paper and wood products annually and accounts for approximately four percent of the total U.S. manufacturing GDP.

Our industry also supports jobs in other sectors of the U.S. economy. A study conducted by the Economic Policy Institute found that each paper industry job supports 3.25 jobs in supplier industries and in local communities as the result of re-spending and tax receipts.

We are highly capital-intensive and have made significant investments and facility upgrades in recent years. According to the Annual Survey of Manufacturers, in 2015 the paper and wood products industry invested \$12 billion in plant and equipment. Items such as recovery boilers, turbine generators, paper machines and environmental controls are critical to maintaining technologically-advanced manufacturing facilities that compete in an extremely competitive global marketplace.

As the Internal Revenue Service and Department of Treasury works to implement tax reform, AF&PA will focus on appropriate rules related to expensing of capital equipment, interest expense, research and development and international tax policies.

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The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, tissue and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative — Better Practices, Better Planet 2020. The forest products industry accounts for approximately four percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually and employs approximately 950,000 men and women. The industry meets a payroll of approximately \$55 billion annually and is among the top 10 manufacturing sector employers in 45 states. Visit AF&PA online at afandpa.org or follow us on Twitter [@ForestandPaper](https://twitter.com/ForestandPaper).

