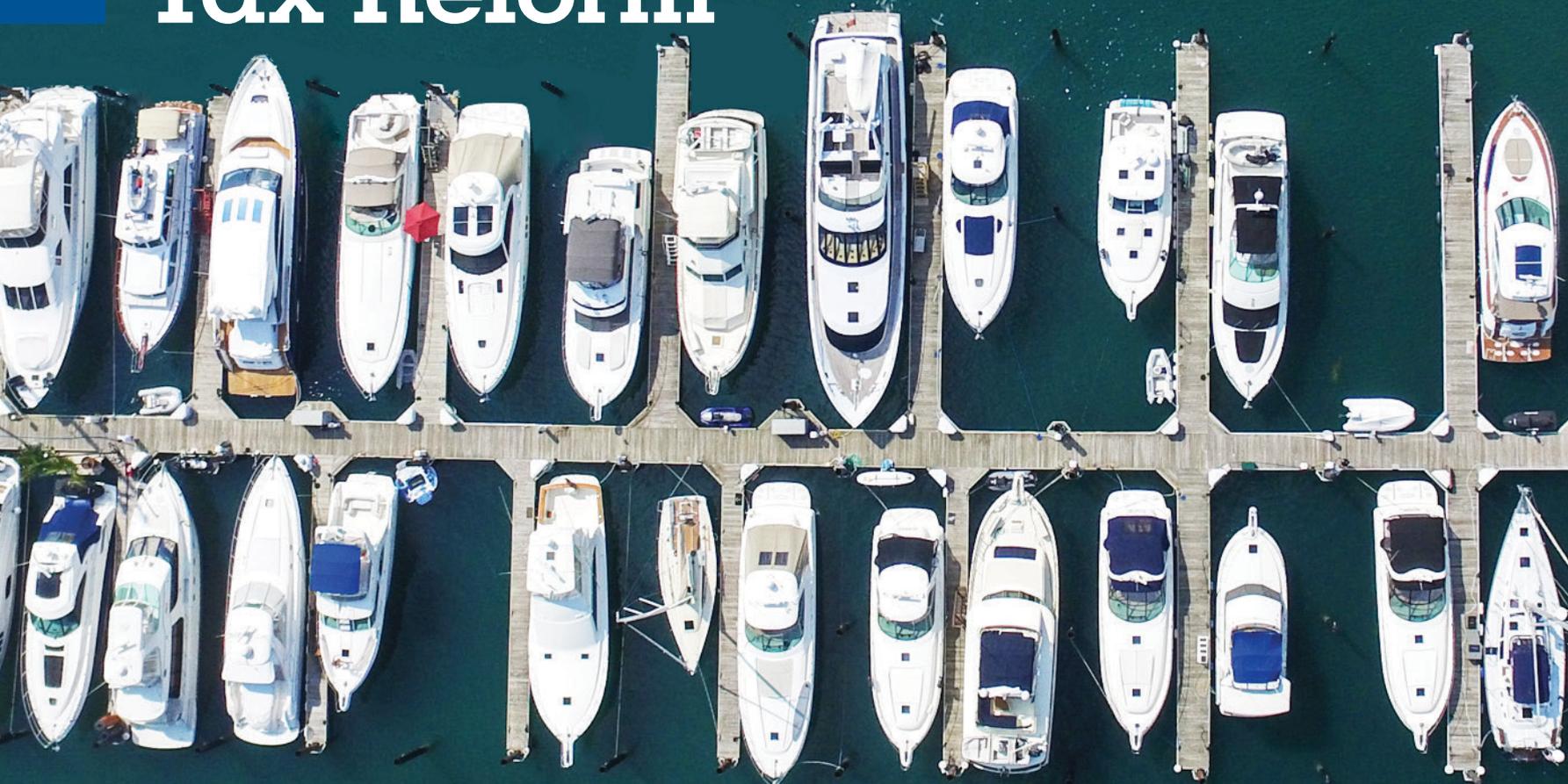


Taxes & Tax Reform



Modernize Our Tax System, Keep American Businesses Competitive

The current U.S. tax code is inefficient and negatively impacts recreational boating businesses and their financial outlook. Our industry stands ready to be a part of any tax reform efforts, in order to best position the industry's future growth. **Comprehensive tax reform is essential** to unleashing the economic power of manufacturing and making the United States the best place in the world to build boats.

ACTIONS FOR LEADERS TO TAKE

- 1 Lower the tax rate for domestic businesses to be globally competitive.**
A more competitive rate will spur capital and investment to create jobs and sustain economic growth.
- 2 Reward investment through the immediate write-off of business investments.**
Incentivize companies to continue to grow the economy by allowing them to expense 100% of their depreciable assets in the first year.
- 3 Protect small and family-owned businesses from inequitable regulations and penalties.**
Repeal the Estate Tax to protect family-owned marine manufacturing plants.
Preserve the Second Home Interest Deduction for boats as an important sales incentive for new and pre-owned purchases.
- 4 Reduce compliance burdens and costs to make it easier for small and medium size companies.**
Simplify the tax code so that manufacturers can spend more time and resources on doing what they do best.
- 5 Consider impact of Border Adjustability Tax (BAT) on U.S. manufacturers and ensure BAT does not negatively impact the domestic U.S. marine market with supply chains and customers world-wide.**



Deferred Importation

Allow foreign flagged boats with a valid cruising license to be offered for sale in the U.S.

- ▶ Currently, boats under a cruising license, while in U.S. waters, are **forbidden to offer their boats for sale to U.S. residents** until the boat is imported and duty is paid on the appraised value.
- ▶ The current cruising license policy is discouraging about **\$2.46 billion in U.S. economic activity** that could be generating thousands of well-paying American jobs.

ACTIONS FOR LEADERS TO TAKE

- 1 Allow the importation and payment of duty for used foreign flagged boats when a boat is sold, rather than before it is offered for sale.**
- 2 Support H.R. 2369, legislation to defer the payment of duty for the sale of used yachts.**